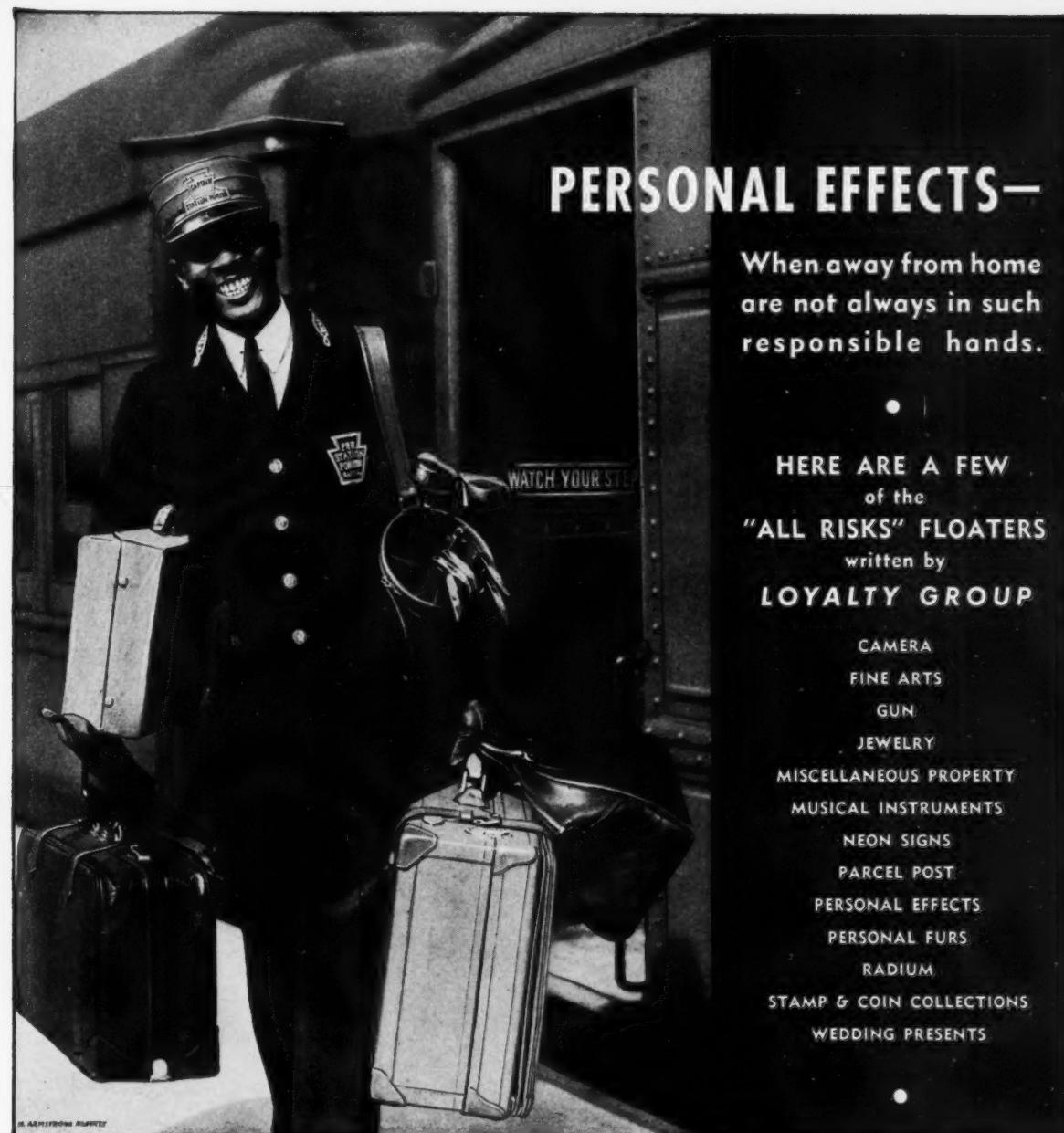


The NATIONAL UNDERWRITER



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The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
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Canadian Dept.
461 Bay St.
Toronto, Canada

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THURSDAY, JUNE 29, 1939

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The NATIONAL UNDERWRITER

Forty-third Year—No. 26

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 29, 1939

\$4.00 Per Year, 20 Cents a Copy

West and South Are Now in Control of Commissioners

Capture the Convention
and Vote Biloxi for Winter
Meeting

NEW OFFICERS ELECTED

President—C. Clarence Neslen, Utah.
Vice-president—J. Balch Moor, Dis-
trict of Columbia.

Secretary—Jess G. Read, Oklahoma.
Executive committee—John Sharp
Williams, III, Mississippi, chairman;
C. W. Lovejoy, Maine; M. J. Harrison,
Arkansas; W. A. Sullivan, Wash-
ington; G. H. Newbauer, Indiana; C. R.
Fischer, Iowa; C. A. Gough, New Jer-
sey; J. M. McCormack, Tennessee.

SAN FRANCISCO—The southern
and western group of insurance com-
missioners now have the National As-
sociation of Insurance Commissioners
firmly in their grip. At the annual
meeting in San Francisco they presented
a compact unit that enabled them to
make a complete sweep of the officers
and to crush the program offered by
Pink of New York for a four zone ex-
amination system replacing the six zone
program, and they captured the De-
cember meeting for Biloxi, Miss.

Four Zone Proposal Defeated

The final session of the convention
was tense and exciting with prolonged
debate on the examination issue. What
had been whispers early in the week
were brought out into the open in im-
passioned oratory. The four zone pro-
posal was defeated by a vote of 24 to
14. Except for Bowles of Virginia those
who voted against the plan constitute
the western and southern alliance. They
are: Alabama, Arizona, Arkansas, Cali-
fornia, Colorado, District of Columbia,
Idaho, Indiana, Iowa, Kansas, Louisi-
ana, Mississippi, Minnesota, Missouri,
Montana, Nevada, New Mexico, North
Dakota, Oregon, South Dakota, Texas,
Utah, Washington and Wyoming.

No Indication of Opposition

The eastern group, with Blackall of
Connecticut as their candidate for presi-
dent, had no indication of the cohesion
of the opposition until they arrived in
San Francisco. Then they discovered
that they were up against a block of 23
commissioners. The western group was
supporting Neslen of Utah for president.
He is a man who commands the respect of
all and was perfectly acceptable to the
easterners. Blackall declined to per-
mit his candidacy to be advanced. Moor,
District of Columbia, a native Texan
who has an affinity for the southern and
western group, was the choice of that
group for vice-president with the under-
standing that he would be the next

(CONTINUED ON PAGE 8)

Nichols Is New Chief of Adjusters Group

Elected by National Organ-
ization of Independents
at Washington Meeting

WASHINGTON, D. C.—Verne A.
Nichols of this city, head of Nichols
Company, independent adjusters, was
elected president of the National Asso-
ciation Independent Insurance Adjusters
at the annual meeting here. He has
been vice-president for the last year.

Four vice-presidents elected are: J. F.
Conlan, independent adjuster of Salinas,
Cal.; Edw. A. Thayer, head of Thayer's
Underwriters Survey Company, Cleve-
land; Lloyd Caldwell, head of Lloyd
Caldwell Corporation Claims Service, in-
dependent adjusting firm of San Antonio,
and J. N. Curley, head of the
Curley Adjustment Bureau, Philadel-
phia. W. H. Moore, Wichita, was re-
elected secretary-treasurer.

A. M. Foley of South Bend is the re-
tiring president and takes his place on
the board. Other directors elected are:
Ross Whitney of Whitney & Miller,
Chicago, formerly vice-president; L. A.
Horton, Oklahoma City; J. C. Greene,
Raleigh, N. C., and C. A. Moore,
Springfield, Ill.

Meet at Chicago in May, 1940

It was decided to hold the 1940 an-
nual convention at Chicago in May. The
convention hotel and actual date have
not yet been decided.

A revised code of ethics for adjusters
was considered, there being some sug-
gestions for slight modifications of the
existing code which was adopted by the
National association some time ago. The
lay adjuster-attorney question also was
up. Mr. Nichols, chairman of the com-
mittee on this question, reported that
much progress has been made in the
year toward ironing out the controversy
between adjusters and the legal profes-
sion, so that insurance adjusters' essen-
tial function will not be disturbed. Mr.
Nichols was named to represent the as-
sociation at the meeting of the Ameri-
can Bar Association insurance law sec-
tion to be held in San Francisco July
10-13.

Selecting Members Carefully

Much progress has been made and the
association's prestige greatly increased
in the last year, President Foley said in
his annual address. He reported mem-
bership is 155 covering 40 states, with
10 adjusters in process of investigation
and 179 offices listed. No mail campaign
or drive ever has been made for new
members, the policy being conservative
in the belief high ethical standards are
more important than large membership.

In the past there has not been an or-
ganization from which companies could
obtain qualification of an independent
adjuster. This service is now being
given by the adjusters association. The
association is being incorporated as a
nonprofit organization under the Illinois
law, the office of Ross Whitney being
designated as the official address.

Mr. Foley discussed the adjuster-at-
torney controversy, saying there are
some who still believe handling insur-

(CONTINUED ON LAST PAGE)

Paramount Fire Has New York License

New Company Launched
by the Mortgage Bankers
Association

NEW YORK—At a two-day confer-
ence between officials of the Paramount
Fire and the Home of New York, it is
understood that a working agreement
was effected, although no definite con-
firmation could be obtained. W. E.
Harrington of Atlanta, a Paramount di-
rector, had a prominent part in the dis-
cussions.

The well publicized Paramount Fire
has received its New York license and
is now qualified to write fire and allied
lines. Its home office address is at 91
William street, New York City. The
capital is \$300,000, consisting of 2,500
shares of common stock at \$100 par
value and 50,000 shares of preferred at
\$1 a share. The surplus is \$200,000.
Owen M. Murray is president; Ray A.
Thorne is executive vice-president; E.
E. Murray of Nashville is first vice-
president and treasurer. W. L. McIn-
tyre, additional treasurer; R. A. Thorne,
secretary, and John Van Dyke, addi-
tional secretary.

This company is organized by the
Mortgage Bankers Association and re-
ceived much attention at the mid-year
meeting of the National Association of
Insurance Agents, the plan being criti-
cized as being detrimental to the inter-
ests of agents.

The Home of New York has a re-
insurance contract with the Paramount
Fire whereby it reinsures all the busi-
ness of the Paramount automatically.
The Paramount Fire sold its stock
largely to local agents who will repre-
sent the company.

Will Be Orthodox in Policy

O. M. Murray is both chairman of the
board and president. He is head of the
Murray Investment Company and the
Murray Insurance Agency of Dallas and
is one of the active figures in the mort-
gage banking field. He is a former
president of the Merchants Bankers
Association. It is stated that the Para-
mount will apply for membership in the
various jurisdictional and rating organiza-
tions and will observe and adhere to
local board rules. The officials declare
that its operations will be conducted
entirely through local agents and will
conform to the principles set down by
the National Association of Insurance
Agents.

Ray Thorne of Dallas, who is execu-
tive vice-president and secretary, for
many years was manager of the mort-
gage loan department of the Lincoln
National Life in his section.

OTHERS CITED IN TENNESSEE

NASHVILLE, TENN.—M. N.
Young and his son, Franklin Young,
of M. N. Young & Co., real estate
brokers, in addition to E. E. Murray,
president of the First Mortgage Co.
and vice-president of the Paramount
Fire, and J. C. Schmitt, Tennessee state
agent for the Home of New York, have
been cited to a public hearing July 5

(CONTINUED ON LAST PAGE)

General Agents Pass Resolution Against Company Pools

Lanathan Elected President
at Annual Meeting Held
in San Francisco

NEW OFFICERS

President—Fred R. Lanagan, Denver.
Vice-presidents—F. E. Parkhurst, Jr.,
Wilkes-Barre, Pa., and F. J. Pelletier,
San Francisco.

Secretary—Herbert Cobb Stebbins,
Denver.
Chairman executive committee—J.
Malcolm Bradfield, Jacksonville, Fla.

By LEVERING CARTWRIGHT

SAN FRANCISCO—With an at-
tendance of about 150, with a number
of papers of exceptional import being de-
livered and with an unsurpassed round
of entertainment, the convention of the
American Association of Insurance Gen-
eral Agents here this week served to
add substantially to the stature of the
organization. Fred R. Lanagan, head of
the Daly general agency of Denver, who
had served as chairman of the executive
committee, is the new president, suc-
ceeding L. B. Daniels, president of See-
ley & Co., San Francisco, who made a
superb presiding officer.

The proposal to change the name of the
organization to American Associa-
tion of Managing Underwriters was
voted down after considerable debate.
A strong resolution was adopted ex-
pressing opposition to the extension of
the company pool principle and partic-
ular opposition to the creation of a syn-
dicate to write public properties.

To Confer With Executives

Announcement was made that this fall
a conference will be held with Paul L.
Haid, president of the Insurance Ex-
ecutives Association, and a committee of
company executives on the general
agency situation, on company pools and
other subjects, with a committee rep-
resenting the general agents association.
Mr. Haid, who attended the convention,
agreed Monday to such a conference.

The speeches that attracted especial
attention were those given by Charles
Seeley of Rathbone, King & Seeley, San
Francisco; C. C. Hannah, vice-president
Fireman's Fund, and J. M. Haines, U. S.
manager London Guarantee, and presi-
dent Association of Casualty & Surety
Executives.

Mr. Seeley gave an insight into the
operations of the famous Surplus Line
Association of California. Mr. Haines
indicated a willingness on the part of the
casualty business to approach the prob-
lem of causing the casualty general
agent to become more respected. Mr.
Hannah gave some most provocative
(CONTINUED ON PAGE 10)

Indiana Agents Gird for Legislative Fight, Map Expansion Plans

Potter Discusses Mutuals, Cooperatives; Group Critises Auto Rate Reduction

At the mid-year meeting of the Indiana Association of Insurance Agents, at Lake Wawasee, President Ross E. Coffin said that it is vitally necessary for the organization to be strengthened still further, if adverse measures which will be introduced at the next session of the Indiana legislature in 1941 are to be combated successfully.

While inimical measures were defeated this year the forces back of these are already planning their campaign for 1941. Other officers and speakers voiced the same warning, and plans for increasing membership and the budget of the association were formulated.

While there is now a peak membership of more than 600 it is believed it should be at least 1,000 and that districts and counties should be strengthened.

The morning sessions were devoted to business matters and in both afternoon sessions Wellington Potter, Rochester, N. Y., local agent and dynamic speaker, discussed how to meet mutual competition and to combat the growth of cooperatives which he believes are threatening the existence of the present agency system.

Coffin Urges Good Will Moves

Mr. Coffin declared that the main purpose of the association is to create public good will. He deplored damaging publicity which the insurance business often suffers, citing the Missouri case as an example. That the public does not understand issues and cannot discriminate, he said, is proved by the fact that the Indiana insurance department has had inquiries from policyholders of life companies, following newspaper reports of failure by reciprocal automobile and similar concerns, to know if their insurance was safe. The present hearings on life insurance operations in Washington suggest that fire and casualty companies may also be investigated.

Civic Organizations Cooperate

He reported that the Indiana association obtained excellent cooperation from chambers of commerce and other like organizations during the last legislative session and recommended that such relationships be encouraged. He urged a closer working relationship between companies and agents, particularly casualty.

Mr. Coffin described the stir that the rate reduction announcement caused in Indiana. "We were swamped with letters. Interviews were had with Insurance Commissioner Newbauer, which contributed in part to his ruling that the reductions would not be approved."

Mr. Coffin recommended that companies cease appointing garages and finance companies as agents.

Some companies have admitted that the business will not stand drastic revenue cuts, he said, and that a loss would have to be covered by drawing on surplus. If such is the fact, he said he deplored the day when it would be necessary to go back to the public and get increased rates.

J. W. Stickney, treasurer, outlined the basis used for determining dues, and emphasized the importance of maintaining the association on an active basis.

W. C. Myers, Evansville, chairman of

(CONTINUED ON PAGE 28)

INSURANCE MEN HONOR KING



When King George and Queen Elizabeth visited the British pavilion at the New York fair, Maj. C. R. Redgrave (foreground extreme left), head of the managerial and statistical department of the United States home office of the Royal-Liverpool group, was the marshal in charge of the guard of honor composed of 250 war veterans who were reviewed by the king. Major Redgrave recently became an officer of the Order of the British Empire. In the foreground at the extreme right is Walter F. Farrar, assistant manager of the Royal-Liverpool group's consolidated marine department in New York. The king is shown in the foreground inspecting the veterans.

Retire from Boston Agency

BOSTON—W. C. Ryan, Sr., and W. C. Ryan, Jr., have withdrawn from the general agency of R. S. Hoffman & Co.

R. S. Hoffman, Sr., and R. S. Hoffman, Jr., will continue the agency at 89 Broad street. Mr. Hoffman founded the business in 1901 and Mr. Ryan became a partner in 1908.

THIS WEEK IN INSURANCE

The west and south captured the **National Association of Insurance Commissioners**, getting the chief officers and a majority of the executive committee, together with the mid-year meeting at Billoxi.

Annual meeting of the **American Association of Insurance General Agents** is held this week in San Francisco.

Paramount Fire receives its license from the New York department.

Page 1

National Association Independent Insurance Adjusters elects Verne A. Nichols of Washington, D. C., as president at annual meeting there; to have official address in Chicago.

Fire companies present three arguments in **Missouri fire rate case** in memorandum filed with federal court.

Page 2

Detailed program for the annual meeting of the **New England Association of Insurance Agents** at Bretton Woods, N. H.

Indiana Association of Insurance Agents girds for 1941 legislative battles; plans expansion program.

Page 3

The title of George H. Bell, western general agent of the **National Fire** group, is changed to general manager and L. R. Hanawalt and E. H. Forkel are made associate managers.

Auto finance problem considered by commissioners at San Francisco meeting; to conduct special inquiry and collect data during regular fire company examinations.

Insurance fraternity appears to be winning fight to exclude agents from **social security act** amendment which would make them company employees.

Page 4

Underwriters Grain Association re-elects officers at its annual meeting in Chicago.

Page 6

Commissioners reaffirm security valuation resolution with minor modification at San Francisco meeting.

Page 3

It is stated from Washington, D. C., that the Department of Justice has no thought of bringing suit to upset **Paul vs. Virginia decision**.

Page 20

Competitive rate situation on Pacific Coast discussed at parley of stock fire and casualty men at San Francisco.

Page 6

Maryland Association of Insurance Agents holds mid-year meeting in Ocean City.

Page 6

Considerable interest is taken in the appointment of Judge Caminetti as **California insurance commissioner**.

Page 5

W. B. Cornett elected president of **National Accident & Health Association** at annual meeting in New York.

Page 17

Interesting account is given by Charles Seely at meeting of general agents in San Francisco of the functioning of the **Surplus Line Association of California**.

Page 19

James M. Haines, United States manager London Guarantee & Accident, addresses the annual meeting of the American Association of Insurance General Agents at San Francisco.

Page 17

There are indications that **National Bureau of Casualty & Surety Underwriters** will continue to make material changes in rules, forms and rates.

Page 18

National committee formed in project to **study occupational diseases**, secure law uniformity.

Page 17

Dr. M. C. Wilson of Travelers reviews problems of **underwriting accidental death hazard**.

Page 19

Discussion of **counter-signature law** at commissioners' meeting brings out diversity of opinion, action defined.

Page 18

Bureau of Personal Accident & Health Underwriters is holding its annual meeting this week.

Page 19

Fire Rate Case in Missouri Should Be Settled on Merits

Companies Present Three-point Argument to the Federal Court

KANSAS CITY—A three-point argument that the Missouri fire rate case should be settled on its merits has been presented in a memorandum filed with the federal court by the fire companies involved. The points are:

(1) This court has no power, at this time, to vacate the Feb. 1, 1936, decree.

(2) The "reservation of jurisdiction" in that decree confers no authority on the court to vacate or modify it.

(3) The "unclean hands" doctrine invoked by Superintendent Lucas in his motion to strike the companies' answers has no application (at least at the present time) because (a) the insurance companies came into court with clean hands; (b) the alleged bribery of O'Malley did not inhere in the companies' original right to a judicial determination of the confiscatory nature of the rates, and, in any event, cannot deprive the companies of a right to a decision on the merits as to the disposition of the impounded funds, and (c) there is no evidence before the three-judge court that the companies have been guilty of any improper practices.

No Control Over Decree

Under the first argument the companies contend:

(a) The court has no control over the Feb. 1, 1936, decree because the term at which it was entered has expired.

(b) A decree which has been procured by fraud is not void; but, at most, is only voidable, at the option of the injured party.

(c) The court cannot now set aside or modify the decree because the alleged injured party (the superintendent and the state) has not brought an independent suit to set it aside or restore the benefits received under it.

On the third point the companies argued that they not only came into court originally with clean hands but with a meritorious claim as well. Even subsequent misconduct does not deprive them of the right to have a judicial determination of a meritorious controversy as originally presented. In the present state of the record, they add, there is no evidence that the companies have been guilty of improper practices, and whether they now have "unclean hands" is a question which can only be determined by a further judicial investigation.

Merits Must Be Determined

If the decree is vacated, the companies argue, the merits must be determined. Also, and this is a point they particularly stressed in the memoranda, the superintendent must elect to adopt or repudiate the decree. If he repudiates it, he must repudiate in toto; he cannot hold the benefits and repudiate the burdens.

In his motion to strike, Superintendent Lucas, through his attorney, Charles L. Henson, stated that the department doesn't consent to setting aside the decree in its entirety, but just the order or distribution; that should be set aside or modified. He specifically objected to setting aside the other features of the decree "since the plaintiffs (the companies) do not charge they were imposed upon in obtaining the decree." Action of the plaintiffs in accepting the settlement of the rate controversy, the superintendent argued, must be regarded

(CONTINUED ON PAGE 28)

Valuation Resolution Is Reaffirmed by Commissioners

Minor Change Brings Much Argument at San Francisco Meeting

SAN FRANCISCO — The resolution governing valuation of securities for annual statements that was adopted last year and that has stood with little change since 1932 was reaffirmed with a minor alteration, by the National Association of Insurance Commissioners at its convention here.

The change was in respect of the final paragraph of the resolution which was devised to take care of one or two particular life company situations. It gives a life company the privilege of applying cost or book values to stocks if the earnings in the aggregate on its ledger assets cover the interest yield assumption that is employed. The change is that stocks acquired after July 1, 1939, must be entered at market Dec. 31.

The committee hearing unexpectedly developed considerable debate. James Blaha of Woodmen Circle inquired of Superintendent Pink of New York, who was conducting the meeting, why reference was made in the final paragraph of the resolution to ledger assets. He contended that the phrase "policy reserves" should be used instead.

Intra-Department Controversy

J. F. Collins of the New York department contended the paragraph was improper, as it was a special resolution for one or two companies. The gallery was amused at this conflict between Pink and one of his deputies. Pink was obviously seeking to have the resolution approved as it stood.

Charles Hughes of the New York department said that no company operating in New York state is using the valuation method permitted in the final paragraph.

Harrington of Massachusetts then asserted that all companies should be required to use market values. He said that any other system is confusing to the public and exposes the commissioners to criticism from the SEC investigators.

Pink suggested that the resolution be adopted this year and that conferences be held with the interested companies to determine whether the market value system could not be applied next year.

Hold Executive Session

Harrington insisted on market values and the committee went into executive session and decided upon the modification relating to stocks acquired after July 1 of this year.

Earlier in the committee meeting there was discussion of FHA loans. One question was whether the premium that is paid for these loans (running as high as three points) should be amortized or charged off to expense. The final decision was to invite companies to submit memorandums on the question and take it up at the December meeting. There was also some discussion of the extent of the guaranty behind the FHA loans.

James Blaha contended that full credit of the government supports these loans and that the bonds that are given to mortgagees in the event of default are as sound as any other government obligation. Nelson Hadley, consultant, said he doubts that the support is as strong as that. He asked whether the government agrees to pay or whether the mutual insurance guaranty fund agrees to

Auto Finance Problem Is Argued by Commissioners

SAN FRANCISCO—After animated discussion of the automobile finance situation, the committee of which Blackall of Connecticut is chairman brought in a resolution that was adopted by the National Association of Insurance Commissioners providing for the continuance of the committee and for the procurement of facts surrounding that business through special inquiry during the course of regular examinations of those fire companies that are heavily interested in the auto finance field.

Blackall, in opening the meeting, traced recent developments, beginning with the commissioners' resolution of two years ago recommending rulings or legislation under which the individual car purchaser would be supplied with the pertinent information concerning his insurance and recommending that no distinction in rate be permitted as between insurance on cars purchased under contract and those purchased outright. Following the Des Moines meeting last December the insurance companies, he said, indicated a desire to be permitted to bring about reforms on their own initiative. The stock companies, he said, pegged commissions on finance business at 30 per cent.

Reform Movement Progresses

Blackall and Waters of Texas held a conference in May at New York with representatives of all types of companies and the consensus there was that real progress was being made in effecting reform. Some of the non-organization companies at that time expressed a desire to be permitted to pay contingent

pay. The fund is created by payments of one-half of 1 percent a year and it now amounts to between \$17,000,000 and \$20,000,000.

Fischer of Iowa said he is not greatly impressed with the amortization principle in connection with FHA loans as guarantee that they are good. He said that the amortized farm loans of the federal government didn't work out in Iowa because the loans that were made were on too high a percentage basis. The government had to take over 5,200 farms in Iowa, he said.

The committee decided to use Moody's service another year. Pink said that a number of states have not made their contributions to the committee and that has increased the burden upon the contributing states.

commissions depending upon experience. Mr. Blackall referred to the fact that the two bills that were introduced in Connecticut to regulate the finance business failed of passage.

McCormack of Tennessee suggested that the committee restate the 1937 resolution with an added paragraph to the effect that the commissioners frown on the excessive acquisition cost of finance business and favor the limitation of commissions to a point consistent with sound practice, and in no event to exceed what is paid for regular agency business.

Commission Scale Examined

Waters observed that Texas has no authority to regulate commissions, a supreme court decision governing the point. McCormack said that 31 states had followed the recommendation of the 1937 resolution and he expressed the belief that the states would be just as receptive to a resolution on commission. Mr. McCormack said that the charge is made that the rates are being held up to allow the paying of high commissions, which are merely a guise for interest income to finance companies. He contended that commissions should not be permitted to be used as a cloak for high finance charges.

"You don't license finance companies as agents," Gough of New Jersey remarked. "Then how can they get commissions?"

Boney of North Carolina said that all the commissioners can do is to recommend so far as commissions are concerned. Blackall said that the commissioners should indicate what they regard as excessive commissions. Gough said that he does not license finance companies as agents. McCormack said that most finance companies are receiving commissions illegally. "The way to end that," Gough declared, "is to put some of them in jail. We have a statute that says that neither an assured nor his employee shall receive commissions and a finance company is an assured named in the policy."

Issue Is Sidestepped in Texas

Waters said in Texas that every time the commission stops a finance company from getting a rebate, the finance firm organizes an insurance company.

McNairn of Ontario said that he does not license auto dealers nor finance companies as agents but some of the finance

(CONTINUED ON PAGE 27)

New Titles Given National Fire Men in Western Branch

Bell Western General Manager, Hanawalt and Forkel Associate Managers

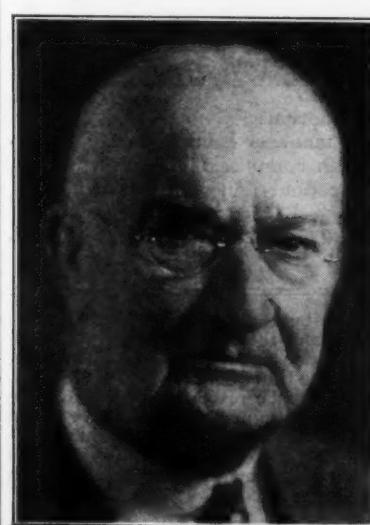
George H. Bell, head of the western department of the National Fire group, has been given the title of general manager, having completed 25 years' service with the company, for 19 as western manager. Assistant Managers L. R. Hanawalt and E. H. Forkel become associate managers, both to have equal rank. The change in title and rank was made on Mr. Bell's recommendation, in order to aid him in carrying on the responsibilities of management and thereby to contribute to the efficiency of management.

Mr. Bell's Career

A native of Dayton, O., Mr. Bell, like so many insurance men today, was born into the insurance business; his father was for many years secretary of the Ohio Insurance Company of that city. Mr. Bell's first position was with that company, where he stayed for eight years, the latter ones in the field. For 16 years he was with the North British & Mercantile which reinsured the Ohio, first as state agent in Ohio, then as assistant western manager in Chicago and later as general agent of the central department in New York. In 1913 he joined the Royal Exchange as associate United States manager. In 1914 Judge James Nichols, then president of the National Fire; H. A. Smith, who succeeded Judge Nichols, and Fred S. James, then manager of the western department, felt the need of a new, able man to serve as an assistant to Mr. James with the idea that he would succeed to the management upon Mr. James' retirement. They selected Mr. Bell and he joined the National in September, 1914. When Mr. James retired in 1920, Mr. Bell was made manager. He has served as president, as a member of and chairman of the governing committee of the Western Underwriters

(CONTINUED ON LAST PAGE)

NATIONAL FIRE OFFICIALS IN THE WEST



GEORGE H. BELL
General Manager



L. ROSS HANAWALT
Associate Manager



EDWIN H. FORKEL
Associate Manager

Senate Committee to Clarify Bill

Brokers and Agents to Be Excluded from Social Security Employe Class

WASHINGTON, D. C.—Amendments to the social security act under which insurance agents and brokers would be classified as employees, recently passed by the house, may be clarified by the senate finance committee when it reports to the senate in the near future.

The legislation is expected to be brought up shortly after the current fiscal-year-end jam is disposed of.

Debate on the bill in the house of representatives indicated that the amendment was not aimed at insurance agents but at commission salesmen, and at that time house leaders expressed the belief that the senate committee would rewrite the provision to clarify it.

Insurance Interests Fight Bill

The question was brought up during hearings before the senate committee, when representatives of the insurance industry pointed out the potentialities of the provision, and it is expected that the necessary changes will be made to exclude agents and brokers.

Need for the amendment was found in the fact that in some lines of trade, companies send out salesmen working purely on commission but not in any sense acting as independent contractors. Such employees now are exempt as outside salesmen or, in some cases, independent contractors; the Social Security Board claims they should be classified as employees and given the protection of the act.

MASSACHUSETTS BROKERS PROTEST

BOSTON—President H. E. Moore of the Massachusetts Brokers Association has forwarded a letter of protest to United States Senators David E. Walsh and Henry Cabot Lodge, Jr., of Massachusetts against passage of H. R. 6635 which would classify brokers as employers of the insurance companies with which they place business and would subject them to the social security act. Mr. Moore says, in part:

"This amendment is vicious from the standpoint of public interest in that it alters the present status of the insurance broker from that of an independent contractor and representative of the insurance buyer to the subordinate capacity of company employee. The enactment of this amendment will greatly burden our fraternity with increased detail responsibilities and overhead expense. Its passage also threatens to deprive us, without due process of law, of what has heretofore been recognized as our proprietary interest in the accounts and renewals on our books."

JOHNSON SUPPORTS AMENDMENTS

DENVER—H. O. Wilbur, president Denver Association of Insurance Agents, announced he had received a telegram from U. S. Senator Johnson of Colorado, stating:

"Will support amendment to not include insurance salesmen and agents working upon commission in social security bill."

Senator Johnson, who is a member of the senate finance committee, sent the assurance following a protest by the Denver association.

ILLINOIS BROKERS VOICE STAND

The Illinois Association of Insurance Brokers has gone on record against the amendment to the social security act which would classify brokers as employees of companies. Their congressmen have been notified accordingly.

D. R. McKown, formerly general agent of the Acacia Mutual Life in Oklahoma City, has opened a local agency in the Ramsey Tower.



On the Way to Commissioners' Convention:

Top row (left to right)—H. L. Wayne, manager Inland Marine Underwriters Association, and C. C. Nelsen, Utah commissioner.

Middle—L. J. Kavanaugh, Colorado commissioner, and H. A. Joyce, deputy Maryland commissioner.

Bottom—E. J. Savage, superintendent of agents, and Harry H. Fuller, deputy U. S. manager Zurich.

New Standard Fire Policy Is Adopted

SAN FRANCISCO.—By vote of 16 to 11 the National Association of Insurance Commissioners adopted a resolution recommending that the new standard fire policy that was agreed upon at the December meeting be given general approval and that the commissioners take steps to have it made applicable in their states. The resolution was pre-

sented by Pink of New York and this was about the only matter of the entire convention upon which he had his way.

Blackall of Connecticut entered objection to the resolution saying that the adoption of a new standard policy would only produce more confusion due to the fact that two or three other standard policies are now in effect in the various states.

Paul E. Noonan of the United Mutual Fire has been transferred to Atlanta from Springfield, Mass., and has offices in the Healey building.

New England Rally Setup Completed

Program for Meeting to Be Held at Bretton Woods Announced

The detailed program for the annual meeting of the New England Association of Insurance Agents to be held at Bretton Woods, N. H., July 6-7, is as follows:

Thursday, July 6

5 p. m. Meeting New England Advisory Board.

7 p. m. Get-together dinner. Chairman R. M. Pennell, Portland, Me., presiding.

Greeting from New Hampshire, H. K. Davison of Woodsville, member of governor's council.

Greetings from the National Association of Insurance Agents, W. H. Menn, Los Angeles, president.

Address, Jacques Romano, "The Man of Mystery."

Friday, July 7

Call to Order.

Greetings from the New Hampshire Association of Insurance Agents, George E. Clark, Lisbon, president.

Response, R. M. Pennell, chairman New England Advisory Board.

Annual address of the chairman.

Report of the secretary-treasurer.

Warren S. Shaw, Brockton, Mass.

Address, W. H. Menn, president National Association of Insurance Agents.

Address, H. P. Janisch, Boston, executive advisor Service Men's Protective Association.

Afternoon Program

Golf tournament and other sports.

Bridge party in hotel parlors.

7 p. m. Informal dinner, concert, reception to President Menn, awarding of prizes, dancing.

Saturday, July 8

Address, C. J. Fitzpatrick, secretary United States Fidelity & Guaranty, "Public Relations."

Address, John A. North, secretary Phoenix of Hartford, "Should an Agent Encourage his Son to Enter His Agency?"

Discussion period.

New Policy Design Saves Time, Money

Arthur Juhl, office manager Waidner, Power, Zweig & Lasch, Chicago, has designed a fire policy to be written in one typing operation. It is estimated that this new form saves 40 to 50 percent of the time usually required.

To make this possible, Mr. Juhl switched the text of the face so that it read parallel with the main text. The daily report and expiration forms were designed as a unit, with the expiration form detachable.

The reading matter was so arranged that when the policy and required forms were laid one on the other the expiration cards fit immediately under the face of the policy and the daily reports under the main body. This enabled the typist merely to insert carbon paper between the sheets and type the policy just once, all necessary information being recorded on the required forms properly.

Because two daily reports are required Mr. Juhl pointed out that an extra expiration card is secured, making it available for a cross file if desired.

Mr. Juhl has been in the insurance business for more than 32 years, all of them in Chicago. For the past eight years he has been office manager for Waidner, Power, Zweig & Lasch. Previous to that he was connected with Royal-Liverpool and Brummel Brothers.

E. Simon Banks of Philadelphia, well known insurance correspondent, is the father of a girl, Jill Cele Banks, arriving at the Woman's Hospital in Philadelphia last Sunday.

California's Move Creates Comment

Appointment of New Insurance Commissioner Caused Surprise

SAN FRANCISCO.—Judge Anthony J. Caminetti, appointed insurance commissioner of California, took his oath of office in Jackson, Cal., where he was confined as a result of collapsing in that city from a heart attack. He had been attempting to clear his court of several important cases and it is believed that overwork brought about the attack. With three cases still to be adjudicated, the governor's secretaries report that Caminetti will probably be confined about a week, that he will then endeavor to write the decisions on the cases and report to his new headquarters in San Francisco. Rex B. Goodcell is in the commissioner's office until Caminetti arrives.

SAN FRANCISCO — The appointment of Judge Anthony Caminetti of Amador county as California insurance commissioner just as the National Association of Insurance Commissioners was to meet here with Commissioner Rex B. Goodcell as the host did not sit well with the fraternity. It has been known among insurance men that Governor Olson was determined to oust Mr. Goodcell and had been endeavoring to find some way out since he took office. However, to bring the matter to a focus at the time the commissioners were meeting here and thus greatly embarrass Commissioner Goodcell resulted in causing much resentment. Judge Caminetti is unknown so far as insurance is concerned. He comes from one of the outlying counties or "cow counties," as they are known here, being part of the rural section. His legal practice previous to his judgeship was largely confined to mining, timber and irrigation matters. He has sat in the Los Angeles superior court as relief judge a number of times when the local judiciary was disqualified or sought to sidestep some case set for trial. The general report is that his judicial actions were fair and he seemed to be entirely capable.

Goodcell May Contest

It was stated in California papers that Commissioner Goodcell will contest the case. Attorney General Earl Warren is the only Republican state official who won in the last election. He is of the same political faith as Mr. Goodcell. Therefore, the opinion that the attorney general gave the governor was entirely impartial and did not smack naturally of any partnership. Commissioner Goodcell on his appointment was regarded as a typical political appointment. However, he took hold of his office with a right good will, endeavored to learn all he could about insurance supervision and has given a very good account of himself. It is stated that Governor Olson went as far into the "cow counties" as possible to get a man "who had no tieup with any insurance company or organization."

Appointment Was Confirmed

When S. L. Carpenter, Jr., resigned as commissioner July 15, 1938, to become manager of the Pacific Board of Fire Underwriters Governor Merriam appointed Mr. Goodcell to the post. When the legislature met last January Governor Merriam, previous to his yielding office to Governor Olson, sent in the Goodcell appointment to the senate and it was confirmed before the latter could act. Governor Olson on assuming office asked the senate to reconsider its confirmation and permit the withdrawal of the name but it refused. The governor then emphatically announced that he would seek to oust Mr. Goodcell.

The governor's legislative counsel held he had the right to name a new commissioner and suggested that an opinion be gotten from the attorney general. Attorney General Warren within a fortnight preceding Governor Olson's appointment of Senator Herbert Jones of San Jose gave an opinion that Commissioner Goodcell's tenure of office was not legal after the adjournment of the legislature. Mr. Jones' name was later withdrawn.

When Mr. Goodcell's appointment was confirmed by the senate it was a moot question whether his term was for four years or the unexpired balance of Mr. Carpenter's term or until the close of the legislature. It finally was determined the appointment, as shown by his interim commission, was for the full term of four years. When the senate refused to reconsider the confirmation, Governor Olson declined to issue a certificate of authority to Mr. Goodcell and he withheld that right along. This brought the question of the legality of Goodcell's actions as commissioner under the law, the requirements being that he be appointed by the governor, be confirmed by the senate and have issued to him by the governor a certificate of authority before he qualified. In the meantime there developed a question as to the right of the senate to confirm Governor Merriam in

sending the appointment to the senate made it as of July 15, 1938. Some legal authorities held that had the governor sent the appointment to the senate as of the date on which it convened there would have been no question as to its right to act but that under the circumstances there was a serious question of legality.

Rotary Vocational Meetings

CLEVELAND — Two insurance vocational meetings were held in connection with the Rotary International convention here, covering fire and marine, and life and casualty respectively.

Charles Parsons of the Brooks & Stafford Co., Cleveland, was the local host of the fire and marine group. Chairman of the meeting was William E. Rae, Havre, Mont. Dana A. Lowd, Northampton, Mass., was vice-chairman and G. D. Poole, Williamson, W. Va., secretary.

Herman Moss, general agent Equitable Society, Cleveland, was the local host for the life and casualty group. S. C. Lawrence, Huntington, W. Va., was chairman; G. W. Pahlke, Baltimore, vice-chairman; and J. A. Welch, Baton Rouge, La., secretary.

Open forum discussions were featured at both group meetings.

Reciprocal Members Are Sued to Meet Unsatisfied Debts

Much interest will be taken in the suit brought against the National Indemnity Underwriters of Fort Worth, Tex., a reciprocal, action being brought against the subscribers. Keith Kelly, the receiver, brought suit against C. H. Verschoyle, attorney-in-fact, and all the subscribers of this defunct reciprocal on behalf of creditors. It will require practically \$750,000 to liquidate claims. The assets now amount to \$3,000. This is an unusual action in the effort to hold subscribers of reciprocals liable for the entire liability. If the suit is carried to conclusion to a higher court the decision will be a very important one.

Confirm Lucas Appointment

JEFFERSON CITY, MO. — The state senate has confirmed the appointment of former Judge Ray B. Lucas of Benton as insurance superintendent.

Milton Wesley, brother of Ralph Wesley, Hutchinson, Kan., agent, has joined the Smith-Stone-Snyder agency of Wichita.

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

**Merchants and Manufacturers Insurance Company
of New York** Capital \$1,000,000.00
Organized 1849

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

Sussex Fire Insurance Company
Newark, N. J. Incorporated 1928
Capital \$1,000,000.00

United States Fire Department
Switzerland General Insurance Company, Ltd.
Zurich, Switzerland Established 1869



Losses paid exceed
Two Hundred and Fifty Million Dollars

DEPARTMENTS:

CHICAGO

SAN FRANCISCO

PHILADELPHIA

PITTSBURGH

KANSAS CITY

MONTRÉAL

New York

92 William Street

Corroon & Reynolds
Incorporated
INSURANCE UNDERWRITERS
MANAGER

Maryland Agents Hold Summer Meet

C. T. Hubbard of Automobile Urges Greater Use of "Optimizer"

Assistant Secretary C. T. Hubbard of the Automobile was one of the chief speakers at the meeting of the Maryland Association of Insurance Agents at Ocean City. He opined that some of the fraternity are displaying too much gloom and said that they should organize and fight more effectively on fundamental issues. Speaking relative to "Trends" he referred to the instantaneous manner by which scientific polls obtain the reaction of the public, but declared that the beliefs of the public could only be founded on what they think they know. He said: "I think that we need to be put through an 'Optimizer.' We are getting to be too gloomy. Admitted from a point of view of fundamental soundness that there may be much to ponder most seriously, yet, regardless of inflation or deflation or changing trends—let's take an 'Optimizer' treatment and fight for what we believe is right. It isn't like Americans to take it laying down."

Should Fight for Rights

"If you believe that insurance is being mistreated in any way—fight for your rights. If you are quite certain that you are fundamentally sound, fight. Don't hold back or leave it all to the other fellow. If the trends have caught you on the down side, face the issue and see what you can do on the up side. You've got to fight wrong trends—and adjust yourself to the right ones."

The 'middlemen' have organized and are endeavoring to fight for their rightful positions. In New England when we found things slipping, we organized the New England council and went out and reenergized the business interests in the territory. The actuaries, at their recent meeting, pointed out that if there was criticism against life insurance, and such criticisms were unfounded, then through public relations, the public should be correctly informed. "There are some new tools which some of us have been slow to accept—public relation activity, and research."

Two Fireman's Fund Officials Retiring

SAN FRANCISCO—Edward Randall, general auditor of the Fireman's Fund for the past 20 years, and Assistant Secretary T. F. Ryan, with the organization for the past 46 years, will retire under its long established plan.

Mr. Ryan, who has spent his entire business life with the Fireman's Fund, started in 1893 as office boy and developed into the accounting and statistical departments. In 1917 he became chief statistician and was considered an authority on taxes. In 1928 he was elected assistant secretary.

The directors elected Earl G. Miller assistant secretary. He joined the head office staff in 1930 and in 1932 was made chief accountant of the indemnity companies. In 1938 he became chief accountant of all the companies.

Mr. Randall came from the east, where he had been connected with various companies, 1919, to join the Fireman's Fund organization in the position he now relinquishes.

Chicago Women Plan Outing

The Insurance Women's Club of Chicago will hold an outing at Bon-Air country club north of Chicago July 15. A dinner will follow golf, swimming and bridge. Lucille Pullen is president and Bess Andrews is secretary.

Underwriters Grain Elects, Lerch Has 10 Years of Service

All officers and members of the executive committee but one were reelected at the annual meeting of the Underwriters Grain Association which was held in Chicago. W. L. Lerch was reappointed manager and now enters his 10th year in that capacity.

The president is W. N. Achenbach, Aetna Fire; vice-president, H. A. Clark,



W. L. LERCH

Firemen's; secretary, Richard Steinbeck, and treasurer, A. M. Jochem.

On the executive committee C. W. Ohlsen, Sun, replaces L. J. Braddock, North America, who resigned. Other members are: E. A. Henne, America Fore; Ivan Escott, Home; C. E. Wheeler, Hartford Fire, and E. M. Schoen, Atlas.

In the 21 years of its existence, Underwriters Grain has shown a favorable experience, although during the past 10 years losses have been unfavorable. The huge granary fire on the south side of Chicago this spring was the largest loss experienced in the history of the association and contributed in no small way to the adverse 10 year record. Particular attention will be given this year to a study of loss conditions.

52 Years in Insurance

In addition to entering his 10th year with Underwriters Grain, Mr. Lerch is now in his 52nd year in the insurance business. He became associated with Great American in February, 1888, spending 38 years with that organization and rising through the ranks to become manager of its western department in Chicago. In 1926 he left the Great American to go to the Royal and after four years there went with the Underwriters Grain Association as manager.

Despite his more than half a century of robust activities, Mr. Lerch remains as hale and hearty as ever. Under his able management affairs of Underwriters Grain have moved smoothly and, as in his past connections, he has proved a capable and competent executive.

Aviation & General Pool

A. MacDonald, general manager and secretary Royal Exchange at the head office, has been elected chairman of the Aviation & General of England. Viscount Knollys, managing director Employers Liability, is deputy chairman. The Aviation & General syndicate includes the Alliance, Atlas, Employers Liability, Guardian, Legal & General, Northern Assurance, Norwich Union, Pearl, Prudential of London, Royal Exchange and Yorkshire.

Illinois Fire Group Has Good Session

O'Loughlin Elected President, Grider Gives Interesting Address

A highly successful meeting of the Illinois Fire Underwriters Association was held at Grand Beach, Michigan. Henry O'Loughlin, Phoenix of Hartford, was elected president succeeding R. H. Gregg, Crum & Forster. D. M. Vance was made vice-president and Miss E. E. Edwards was reelected secretary-treasurer.

H. L. Grider, manager Western Factory Association, gave a talk the morning of the first day which was well received and followed by many questions. Election of officers took place the second day. Business sessions were held mornings with the afternoons being devoted chiefly to pleasure.

Describes Methods and Services

Mr. Grider described in detail methods of the association and the services it renders to field men and local agents. The various kinds of competition which the association has to contend with were discussed at some length and he gave as his opinion that the most effective method of meeting competition was first to find out all about the competitor and how he was operating, and then intelligently lay all facts of the case on both sides of the case before the prospective assured.

He said if owners of large manufacturing plants expect to retain their present costs which are the lowest in the history of fire insurance, it will be necessary for them to cooperate to the fullest extent in the prevention of losses.

Miller Is B.D. Chairman

The Business Development division held a meeting at which A. R. Miller, special agent Continental and American Eagle was elected chairman. Wallace Rodgers gave a resume of the work done during the past year and outlined a general program for the coming year.

At a meeting of the Illinois State Fire Prevention Association J. Lewis Cassell, London Assurance, was elected president; R. R. Mittelbush, Security of Iowa, first vice-president; L. C. Petterson, Sun, second vice-president, and A. J. Meyer, Automobile, secretary. Mr. Cassell succeeded R. B. Haser, Ohio Farmers.

Visitors at the convention were W. K. Maxwell and Fred C. Bertiaux, vice-president and secretary, respectively, Hanover Fire; E. S. Miller, manager Illinois Audit Bureau; C. W. Soderstrom, manager Illinois Inspection Bureau; T. C. Underwood, agency superintendent America Fore; Wallace Rodgers, assistant manager Western Underwriters Association, and Carl Redman, special representative Western Factory Association.

Pleased With Golfmore

Those attending the convention were very much pleased with the facilities afforded by the Golfmore Hotel, and according to present indications are very much in favor of returning there next year. Although the hotel's golf course was not yet in shape, due to irrigation difficulties, the golfing members of the convention enjoyed rounds at Long Beach, three miles away.

A highly amusing incident occurred during the prize raffle. Mrs. Bertiaux and Mrs. Maxwell were requested to participate in the drawing, Mrs. Bertiaux to mix the raffle numbers and Mrs. Maxwell to draw them. To everybody's amusement and to her and Mr. Maxwell's dismay, she drew her husband's name. Mrs. Maxwell had also been first prize winner in bridge.

New members elected to the execu-

Stock Interests in Parley on Pacific

Fire and Casualty Men Discuss Rate Situation at San Francisco

SAN FRANCISCO—Frank discussion of the rate and competitive situation in California in respect to both fire and casualty lines was elicited at the conference here of organization and non-organization stock company representatives and producers. The meetings were held in the offices of Fireman's Fund and President C. R. Page was host to the group at luncheon.

Considerable sentiment has been developing among leaders on the coast for rate control legislation in California. The rate situation is described as demoralized here and a good many of the leaders feel that the business must look to the state to bring about stabilization. However, some of the eastern executives believe that a supreme effort should be made on the part of the business itself to remove the most severe angularities of competition and that legislation should be the last resort.

Drop Legislative Worries

The conferees came to the conclusion to seek to bring about improvement during the next two years and to forget about legislation until the legislature goes into session again two years hence.

Those participating in the conference included Paul L. Haid, president Insurance Executives Association; Claude Fairchild, manager Association of Casualty & Surety Executives; J. H. Doyle, general counsel National Board; J. B. Levison, chairman, and E. T. Cairns, vice-president Fireman's Fund; R. H. Griffith, coast manager Glens Falls; Joy Lichtenstein, coast manager Hartford Fire.

Also: O. E. Lane, president Fire Association; Jesse S. Phillips, chairman Great American Indemnity; J. R. Cooney, president Firemen's; E. J. Bond, Jr., president Maryland Casualty; J. M. Haines, U. S. manager London Guarantee; J. A. Diemand, vice-president Indemnity of North America; J. C. Bunnyan, coast manager Commercial Union; C. A. Bonner, coast manager Aetna Casualty; M. R. Johnson, president Pacific Indemnity; Stephen Malatesta and F. M. Hohwiesner, representing the brokerage organizations of San Francisco, and these agency representatives: Harold Calles, Santa Barbara; Elmer White, Oakland; H. J. Thielen, Sacramento; G. C. Appleton, Fresno; Harold McGee, Los Angeles, and D. B. Goldsmith, San Diego.

Miss Florence H. Clark of River Forest, Ill., daughter of Vice-president H. A. Clark, western manager of the Firemen's group, was married last Saturday morning in St. Luke's Catholic Church in River Forest to Attorney John P. Gorman of Chicago. The wedding breakfast was held at the Lake Shore Athletic Club in Chicago. The honeymoon is being spent at Cape Cod.

Committee are: R. Y. Dievendorf, Northern of London; H. E. Johnson, Jr., Aetna Fire; J. G. Hughes, Phoenix of London, and F. H. Davidson, Crum & Forster. Other members are: A. R. Marks, Great American; W. E. Bayley, Hartford Fire, and E. W. McDowell, Maryland and Niagara.

J. H. Wilson, Royal group, who was regarded as one of the association's most eligible bachelors, received a great ovation when his recent marriage was announced.

A resolution was presented and adopted extending sympathy on the death of Honorary Member L. E. Hildreth, formerly with Hartford Fire and a member of the Illinois State Board of Fire Underwriters since 1882.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

NEW YORK LOSSES HIGHER

An increase of 17.84 percent in the number of incurred losses and of 4.62 percent in the amount involved in the first five months of the year, compared with the figures for the corresponding period of 1938, was revealed in the report submitted by E. C. Niver, secretary to the committee on losses and adjustments of the New York Board.

MISS McVEIGH IS HONORED

In recognition of her 25 years continuous service with the Home, Miss Letitia McVeigh, private secretary to Wilfred Kurth, chairman of the board, was honor guest at a luncheon tendered by the officials. Remarks highly complimentary to her ability and loyalty through the years were made by Mr. Kurth, President H. V. Smith, former Vice-president F. E. Burke, and Vice-president W. F. Beyer, who presented Miss McVeigh the Home's 25-year silver service medal. When Miss McVeigh entered the company's employ in 1914, there were but six female employees in the office, whereas today there are over 900.

CORROON & REYNOLDS APPOINTED

Security of Iowa has appointed Corroon & Reynolds sole general agents for the New York metropolitan district and suburban territory. Security has been doing business in New York outside of these areas for many years and now enters them for the first time.

BOND WILL BE REQUIRED

General Counsel J. H. Doyle of the National Board has issued a bulletin calling attention to a new law which requires New York state local agents

other than in Greater New York and Buffalo to file a bond by July 1 to guarantee that they will pay the fire department tax.

PRESIDENT CULVER HOST

President B. M. Culver of the America Fore entertained 60 officers, department heads and guests at his annual golf party held at the Glen Ridge Country Club, Glen Ridge, N. J. The Ernest Sturm trophy, which must be won three times for permanent possession, was presented by President Culver to F. F. Stukhart of the Newark's Niagara office who had a low net of 69. C. G. Lyon, manager of the Newark Niagara office as winner of the trophy last year was presented a silver cup.

In addition to the trophy, prizes were awarded to E. M. Callahan of the New York Niagara local department for second low net and to De Mott Belcher and C. K. Cagle who tied for third low net.

The high gross prize was won by F. D. Jones, local home office brokerage department.

Dinner was served at the club house and during the course of the evening President Culver introduced several of the executives who gave brief talks.

Vice-president F. A. Christensen, on behalf of all present, expressed the sincere appreciation of the guests to Mr. Culver for a most enjoyable afternoon and evening.

NEW COMPANY FORMING

In process of formation in New York City is the Mount Beacon, intending to write fire covers on buildings, their contents and on automobiles. Incorporation papers, it is stated, will be filed shortly.

Gilchrist Succeeds Henry

K. D. Gilchrist has been made special agent in Connecticut for the Security of New Haven and East & West. He succeeds S. D. Henry, recently made assistant secretary and given charge of business production. Mr. Gilchrist has been with the Security organization since 1924 as an examiner, inspector and rating engineer.

C. R. Street Estate

There was filed an accounting in the probate court at Chicago this week showing the assets of the estate of the late C. R. Street, western manager of the Great American, at \$230,192. The federal government has filed a jeopardy assessment against the assets attempting to collect an added income tax of \$220,892. The income tax authorities discovered that Mr. Street had received a considerable amount of money from insurance companies but gave no indication of how it was spent. His executors claimed that he did not derive any benefit from it but he refused to tell to whom he had paid the money. Hence the income tax authorities levied on the estate. Inasmuch as it was shown later on in the indictment of T. J. Pendergast, the Kansas City boss, and former Insurance Superintendent O'Malley of Missouri, that they received this money, it is a question whether this will satisfy the tax authorities and relieve the Street estate.

Miss Augustus Is Advanced

At a meeting of the directors of the Indiana Association of Insurance Agents at Lake Wawasee last Friday, Miss Elizabeth Augustus was elected acting secretary. She has been identified with this work for several years and has, on occasion, gone to bat and put out the monthly bulletin in the absence of J. W. Stickney, then secretary, using the nom de plume, "Miss Friday." Headquarters will be continued at 919 Fletcher Trust building, Indianapolis.



... What can I become?

... How far can I go?

... How much security and strength is behind me?

... What help can I depend upon?

These are questions worthy of an Agent's consideration when choosing his company.



PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.

NEW YORK OFFICE: Central Fire Agency, Inc.
92 William Street, N. Y. C.

CHICAGO OFFICE: 209 West Jackson Boulevard
SAN FRANCISCO (Fire 425 Montgomery St.)
OFFICES: (Marine 222 Sansome St.)





AT COMMISSIONERS' PARLEY IN SAN FRANCISCO

Top row (left to right) W. H. Menn, Los Angeles, president National Association of Insurance Agents; F. M. Hohwiesner, past chairman Society of Insurance Brokers, San Francisco; (inset) Paul L. Haid, president Insurance Executives Association; C. C. Hannah, vice-president Fireman's Fund; Malcolm Cravens, Cravens, Dargan & Fox, San Francisco.

Bottom—E. C. Porter, U. S. F. & G. manager, San Francisco; R. D. Morse, assistant secretary Hartford Fire; Jesse S. Phillips, chairman Great American Indemnity; and E. C. Stone, U. S. manager Employers Liability.

West and South Are Now in Control

(CONTINUED FROM PAGE 1)

president. He also wanted the next convention to be in Washington.

J. M. McCormack of Tennessee was at first slated to be chairman of the executive committee but he came out for the four zone plan in an effort to bring about harmony and he was removed from the slate in favor of John Sharp Williams of Mississippi. For the first time, at least in the memory of old-timers, New York is not represented on the executive committee. For many years past New York has been chairman of the executive committee. In selecting the place for the December meeting New York was smacked down. The convention voted to go to Biloxi, Miss., the first week in December, the hotel to be selected by the executive committee.

One of the stirring features of the final session was the exhortation of John B. Gontrum, "baby" commissioner of Maryland for support of the four zone plan. He is a sincere, capable man and made a distinguished mark.

At the meeting of the examinations committee that was attended only by commissioners and by F. M. Speakman of Philadelphia, who furnishes examiners for some of the states, the vote was 8 to 6 in favor of substituting the four zone plan proposed by Pink but eliminating those elements of the Pink program referring to the competence and remuneration of examiners. Pink agreed to this compromise.

At the final session the eruption occurred as soon as Secretary Jess Read reported that the examinations committee had voted to recommend the four zone plan.

Williams of Mississippi announced

that six members of the examinations committee were against the four zone plan and that they entered objection to the majority report.

McCormack made an appeal for the four zone plan. He referred to the fact that for the past several years the examination issue has been in the forefront. He said that he had exerted his influence to extend the use of the six zone plan. He said that he had even voted in favor of the Merkle & Martin examinations although he was inclined to regret now that he had done so. He said that he still desires to keep familiar with the affairs of foreign companies operating in his state but that the six zone plan is too expensive. He said that the economical operation of companies is desired and that the commissioners should not create needless expense.

He said that Pink had shown a disposition to come half way and that Pink is conscientious and willing to cooperate. He referred to the fact that Pink had sent out his written proposal together with the statement of objections to that program by Julian of Alabama, the retiring president. He said that he had moved to adopt Pink's proposal, but striking out the parts objected to by Julian. McCormack voiced the opinion that the eastern states would conscientiously adhere to the four zone plan. If the four zone plan was adopted, he said, it would go a long way towards bringing about harmony, fair play and good fellowship between the states.

Earle Played a Part

Earle of Oregon spoke in favor of the amendments to the constitution and by-laws that he had previously proposed.

This was only indirectly germane to the subject at hand and caused considerable parliamentary confusion. The final outcome was that Earle withdrew his proposals at this time, after the four zone plan had been knocked out. Earle dwelt at length on the special meeting that was held in Chicago in January at which the Des Moines resolution on examinations was rescinded. Earle's contention was that the examination procedure should be set forth in the constitution and by-laws and that resolutions are valueless if they can be rescinded at a special meeting, hurriedly called. Earle went through his entire proposal point by point. He emphasized that what he proposes would make the authority of the executive committee subordinate to the association.

Rex Goodcell of California got into the fight although two days previously Anthony Caminetti had been confirmed as the new California commissioner.

Goodcell said that any national supervision of insurance would be a calamity to the business and the people. The Pink proposal, he said, is entirely out of order and the Chicago meeting was out of order. The four zone resolution, he contended, means nothing. Caminetti, he claimed, will exercise his full prerogatives of making certain that companies operating in California are solvent. California, he said, paid \$400,000,000 in premiums last year of which \$350,000,000 went to outside companies.

"I have never heard any squawk from any insurance company on the coast about the cost of examinations," he declared.

Following Six Zone Plan

During his speech Goodcell remarked that while he has been in office his examiners have been busy all over the country in examinations. Later Harrington of Massachusetts said that if the California examiners are spread all

over the country the commissioners of other states have a right to wonder about the condition of California companies. Goodcell replied to that saying that he was merely following the six-zone plan to the letter.

Gontrum got to his feet and apologized for making a speech at his first convention. He said that while he was secretary of state of Maryland he was also chairman of an agency devoted to inter-state cooperation. He said that his experience there convinced him that unless the states are drawn closer together the foundation of the nation may be shaken. The question of whether insurance is to remain under the control of the states is the paramount problem of the day. The federal authorities are following insurance with a watchful and jealous eye. He said he believes that insurance should remain under the states but unless the states show that they are worthy of that responsibility it will be taken over by the national government. He referred to recent utterances of Governor O'Connor of Maryland to the effect that state governments are on trial today.

Said Charges Are Too High

Gontrum said he has already learned that there is grave dissatisfaction with the six zone plan. The charges that are being levied on insurance companies are exorbitant. A fee of \$25 a day plus \$8 for expenses is very high. The insurance companies don't object to paying \$25 for \$25 men but they are not getting men of that caliber, he said. The unjustified cost, he declared, is a tribute to the people of the nation, as it is added to the premium cost.

He implored the convention not to let sectionalism divert it from its duty. He said he is in favor of bringing the questions out into the open rather than having an undercurrent of whispers.

Harrington declared that the atmosphere at the convention last year was charged with hostility. Sectionalism has crept into the proceedings. Good men from the east have been passed by for office because of sectionalism.

Policyholders Seek Protection

If federal control is coming, he said he is content to have it set up under the Roosevelt administration. The examinations committee resolution, he declared, is a fair, reasonable compromise. He advocated adoption of the plan and then for a period of three years to refrain from changing the set-up or debating the issue. He said that at recent meetings all other situations had been side-tracked because of the battle over examinations. "You can't have your last pound of flesh," he declared.

Goodcell said it isn't a question of south against north or west against east but "the policyholders are asking the protection of this convention."

Then came the roll call. The actual vote was on a motion to table a resolution of Williams to amend the examination committee report by striking the four zone plan matter.

The elections were conducted in executive session. Blackall was nominated for president but he demanded that his name be withdrawn. Bowles asked Blackall to reconsider and permit his name to be offered. Pink was nominated for chairman of the executive committee but he likewise withdrew. Holmes of Montana was one of those nominated for membership on the executive committee but he withdrew to make room for Harrison of Arkansas.

Executive Committee Report

At the final session, Pink, reporting for the executive committee, said that the report of the committee on blanks had been accepted. He said that there had been considerable discussion on the place for the December meeting and the decision went to Biloxi. New York and Washington were also considered. The convention approved the report of the committee on blanks. The report on valuation of securities was accepted. Blackall offered a resolution thanking the California host. McCormack's re-

quest that the sub-life committee on industrial insurance be continued was approved.

President Julian had J. V. Barry, former Michigan commissioner, and Col. Joseph Button, former Virginia commissioner, come to the front. He gave recognition to the Canadian delegation including Garrett of British Columbia, LaFrance of Quebec, McNairn of Ontario and R. L. Foster, former Ontario commissioner.

W. H. Menn of Los Angeles, president National Association of Insurance Agents, was given a hand. President Julian recognized Jesse S. Phillips, chairman Great American Indemnity and former New York superintendent, and Col. H. P. Dunham, vice president American Surety and former Connecticut commissioner.

Very few committee meetings were held, because of the distractions of the city and the fair, because of the fact that there were so many new commissioners who had yet to get their bearings and because of the fact that the examinations issue overshadowed all other considerations.

Report 41 States Represented

At the opening session Secretary Read called the roll, showing that 41 states were represented and three provinces of Canada. President F. N. Julian had the new commissioners take a bow. Kenneth Fulton, secretary to Governor Olson, gave an address of welcome, taking the place of the governor. Mayor Rossi extended a welcome. He was followed by Rex Goodcell, who was given a prolonged, standing ovation. Then came Attorney-General Earl Warren, who on Monday gave the opinion that the California commissioner's term had expired at 5 p. m. the previous day. None of these welcomers made reference to the political melee, the outcome of which was still uncertain.

Insurance Director Palmer of Illinois gave the response. The Mexican com-

State Commissioners Elect New President

At the annual meeting of the National Association of Insurance Commissioners in San Francisco, Commissioner C. Clarence Neslen of Utah was chosen president. He was something of a dark horse. He had the backing of the far west, the south and many of the mid-west commissioners. He has made a very favorable impression on all in the organization and in the insurance business since he was appointed. He has not shown any partisanship, has demonstrated his broadmindedness and hence he proved acceptable to all hands.



C. C. Neslen

missioner, Hermosilla Reina, gave a talk with the aid of an interpreter.

At the second general session of the convention C. W. Hobbs, special representative on the National Council of Compensation Insurance, referred to the fact that he had filed his report in the form of a written presentation. A telegram of greetings was read from A. P. Giannini, chairman of the Bank of America, and a communication was read from L. B. Daniels, president of Seeley & Co. of San Francisco, extending an invitation to attend the meeting of the American Association of Insurance General Agents, of which he is president, in San Francisco this week. Papers were given by C. C. Neslen and Ray B. Lucas, the new Missouri superintendent. Lucas had been scheduled to give his talk the previous day but was delayed in arriving because of the necessity of

attending a court hearing on the Missouri fire insurance rate case.

The committee to audit the books of Secretary Read consisted of Hobbs of Kansas, Woodward of Texas and Lloyd of Ohio.

No meeting was held during the week on the subject of auto casualty rates. Just before the final session was to start, the casualty committee was scheduled to have a meeting and numerous camp followers were on hand for what they thought would be an interesting discussion. However, the committeemen didn't appear.

ENTERTAINMENT

The recreational features of the week were exhilarating. The facilities were at hand in abundance. Not only were there all the normal sights of San Francisco but the great fair on Treasure Island offered the local hosts a magnificent opportunity to strut. One evening the San Franciscans took over the Continental Cafe at the fair and the entire party was entertained at a dinner-dance there. On Saturday most of the convention group and thousands of local insurance people thronged the island. There were some insurance ceremonies in the morning. Brief talks were given by J. B. Levison, chairman of Fireman's Fund, and Leland Cutler, vice-president of Fidelity & Deposit, and head of the fair. James Todd, marine department manager of Edw. Brown & Sons, rendered a violin solo. Then in the evening all hands gathered for a buffet meal.

The banquet was a gay affair, with numerous cocktail parties being held beforehand. Among the pre-banquet parties were those given by the Giannini companies—Occidental Life and Pacific National Fire—American Automobile, with Vice-President Otto Patterson the host; Continental Casualty with Comptroller Rollin M. Clark and Vice-president Teasdale of San Francisco presiding, and the Canadian group.

Occidental Life had placed in the room of each visitor two bottles of California wine.

Pacific Mutual Life was host to a large group at a breakfast. Brief talks were made by President A. N. Kemp and by Rex B. Goodcell, outgoing California commissioner. There were eight life company presidents on hand.

Commodore Piver as Host

A group of about 20 sailed Friday morning with Commodore Piver, who is publisher of the "Underwriters Report," on his 84 foot schooner "Eloise." Arthur Piver, a son, who is also connected with "Underwriters Report," performed as mate.

The ladies were present in unusually large numbers, as many conventioneers are sandwiching in a western vacation at this time. They were magnificently entertained with scenic drives, bridge, tour of Chinatown.

A noon-day cocktail party was given by Massachusetts Bonding at the exclusive Yerba Buena club at the fair. Presiding were Vice-President Spencer Welton, Secretary-Treasurer Donald Falvey and Henry Sheehy, coast manager. Mrs. Falvey was a most popular member of the convention party. This was the first trip that either Mr. or Mrs. Falvey had made to the west.

A large part of the convention left San Francisco Sunday and went on the Catalina trip Monday as guests of the Los Angeles companies.

LOS ANGELES TRIP

LOS ANGELES—Enroute from the National Association of Insurance Commissioners meeting in San Francisco, members of the party were guests of the Los Angeles insurance fraternity on a trip to Santa Catalina Island. An early start and fair weather permitted the group to make the 25-mile sea voyage from the mainland to the island, with ample time for lunch, a sight-seeing expedition and an inspection of the marine gardens through the famous



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glass-bottomed boats. In addition to the planned events of the outing, the commissioners were entertained by schools of flying fish and a great number of playful porpoises accompanying the ship for much of the distance from Los Angeles harbor.

General Agents Pass Resolution Against Company Pools

(CONTINUED FROM PAGE 1)

ideas in setting forth what he regards as significant trends in fire insurance.

Two Choices for Next Meeting

The place of the next meeting will be decided by the executive committee. The choice seems to be between Jacksonville, Fla., and Dallas. The California Association of Insurance General Agents was most hospitable. They maintained a headquarters room throughout the convention which was the center of the fraternizing. Ray Decker, Pacific Coast manager of Royal-Liverpool, was host to the entire group at a cocktail party before the banquet Monday. The banquet entertainment consisted of a floor show of talent and the crowd was appreciative. Tuesday afternoon the North British group was host to the crowd on a cruise of the bay on a ferry boat that had been stripped of its commercial aspects.

At the second day session, Elmer White, Oakland, president California Association of Insurance Agents, spoke briefly, saying that unity of purpose is demanded of insurance interests to correct public sentiment gone awry on the appeal for group or wholesale buying of indemnity on a price-conscious basis. He complained of casualty company inroads into the agency field. He declared that reduced commissions threaten in the fire field. Many problems can be solved, he said, by organized agents conferring with company organizations.

Goodcell Gives Address

Rex B. Goodcell, outgoing California commissioner, gave a talk "Your Job and Mine." He was given a rising ovation. C. C. Hannah, a sincere, articulate speaker, gave an address "Trends in Fire Underwriting." He said fire underwriting comprises the elements of preparation of forms, setting forth the coverage. Making of rates based on experience with proper perception of probable experience under today's conditions, building of sound resources, merchandising of the product and rendering policyholder and public service. Mr. Hannah remarked that in the past 50 years the business in its devotion to public welfare has pulled down its own income. The speaker referred to the expansion and broadening of forms and expressed the hope that even more encompassing contracts will be provided.

Notes Descending Rates

The rates continue to decline despite indications that the burning ratio is ascending. Mr. Hannah said much thought is being given to the idea of undertaking to adjust the rate upon expiration of policy, perhaps along the lines of the safe driver reward, perhaps with the return based on total results or results of a class, or on some basis whereunder an initial overstatement of rates can be clearly defined. Such an arrangement would differ from the mutual plan in that no liability would be shouldered upon the policyholder and it would not be a profit sharing system. Some say, he observed, that such a system would provide prompter, more effective, complete adjustment of rates. Mr. Hannah advocated the setting up of a research organization in the business.

Mr. Hannah said increased assistance is being given to policyholders in the form of estimates of values, thus con-

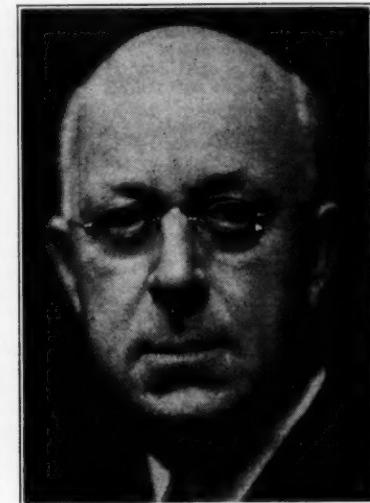
SPEAK AT INSURANCE GENERAL AGENTS RALLY



**S. L. CARPENTER, JR., San Francisco
Manager Pacific Board**



**W. H. MENN, Los Angeles
President Nat'l Assn. of Insurance Agents**



**C. R. PAGE, San Francisco
President Fireman's Fund**

verting a policy of indemnity into a valued policy. The desirability of such a development, he said, must be carefully pondered. As to merchandising, Mr. Hannah declared that the agency system should, must and will survive, with competition becoming more savage. Many leaders are leaning to the idea of accepting, if not seeking, rate and commission control legislation. Mr. Hannah said the business should not rush into unknown evils, but the idea of regulation should be carefully weighed. Mr. Hannah said if each of the trends to which he referred should take form the time might arrive when an all risk physical damage policy might be issued with rates and commissions regulated by the state, with a refund made upon expiration and with property values estimated in advance.

Greetings and Response

Greetings were extended at the opening session Monday in behalf of the California Association of Insurance General Agents by its president, F. J. Pelletier. He referred to the fact that the California premiums of fire and casualty premiums run about \$200,000,000 per year. He cited the great recent insurance undertakings of providing cover for the two San Francisco bridges and for the Treasure Island Fair.

George E. Edmondson of Tampa gave the response and greetings were extended in behalf of the Pacific Board by its president, R. L. Countryman, coast manager of Norwich Union.

J. M. Bradfield of Jacksonville, Fla., vice-president of the association, took the chair while L. B. Daniels of San Francisco gave his presidential address. Particular interest was taken in Mr. Daniels' recommendation that the title of the association be changed to American Association of Managing Underwriters.

The committee on the president's address was named, consisting of John Siebel of Columbia, S. C.; W. L. Braerton, Denver, and P. D. Richards, San Francisco. A telegram of regrets at inability to attend was read from Vice-president Charles Jerome of Atlanta.

ANNUAL REPORTS GIVEN

Fred K. Lanagan of Denver reported as chairman of the executive committee. In the absence of H. A. Steckler of New Orleans, the membership report was given by Secretary Stebbins. Membership stands at 118 as compared with 107 a year ago. J. K. Shepherd of Little Rock reported for the memorial committee. He also reported as national

councillor of the U. S. Chamber of Commerce. Mr. Stebbins reported as secretary. A survey indicated that members handle about \$90,000,000 in premiums annually. He said there are not more than six general agencies in the country that are eligible for membership that do not belong.

The meeting was then opened for informal discussion. E. C. Fox of San Francisco spoke in favor of changing the name of the organization to National Association of Managing Underwriters. Stigma has attached to the title general agents, he said, because of the multiplicity of casualty appointments that do not exercise supervision. He advocated that each general agent as well operate officially under the title of "manager." W. L. Braerton of Denver opposed the change; he said it might cause to be reopened the issue of social security tax. The casualty companies seem to be interested in making the general agent mean something more in the business. The title American Association of Insurance General Agents has acquired standing in the business.

Other Views on Subject

George Edmondson of Tampa sided with Mr. Braerton. In Florida the term general agent has a real significance, he said. Phil Grossmayer, Portland, Ore., also spoke in opposition. Reed Pennington, Denver, said he has considered changing the title of his firm to "supervising general agent." Langdon Quin, Atlanta, said efforts should be continued with the casualty executives to bring about a better situation in the casualty ranks. J. K. Shepherd embraced that suggestion. Rather than change the name, he said, the effort should be continued to separate local agents and supervising general agents. Mr. Grossmayer expressed objection to salaried company representatives being designated as general agents. P. D. Richards, San Francisco, discussed the problem of the local general agency in California. A vote was taken and the change in name was sidetracked.

Resolution on Company Pools

Mr. Shepherd reported for a special committee on company pools. He offered a resolution to the effect that company pools are harmful to the agency system in that it provides for a concentration of power and facilities and for elimination of competition. The resolution "deplores" the evils inherent in the pool method and urges the companies to so handle the special class rules so that the earnings of local and general agents will not be eliminated. The resolution opposes the suggested

pool for public properties. If the theory is carried forward, complete curtailment of private enterprise will eventually.

President Daniels appointed as chairman of the nominating committee Langdon Quin, Atlanta, chairman; F. J. Pelletier, San Francisco; Stewart Scruggs, Dallas; J. K. Shepherd, Little Rock, and Reed Pennington, Denver.

At the final session Wednesday talks were made by D. B. Bowley, president Insurance Brokers Exchange; N. J. Birkholm, executive chairman Society of Insurance Brokers; S. L. Carpenter, Jr., manager Pacific Board, and A. E. Roth, president San Francisco Employers Council.

J. M. Haines, U. S. manager of London Guarantee and president Association of Casualty & Surety Executives, delivered an address in which he analyzed the position of the casualty general agent. Mr. Haines remarked that London Guarantee is known as a general agency company.

A telegram of greetings was read from A. P. Giannini, chairman of Bank of America.

C. J. Smith's Address

C. J. Smith, chairman American International Underwriters, gave a talk on underwriting foreign business. Mr. Smith argued the desirability of insuring American properties abroad in American companies. Such protection is readily available, he pointed out. To provide such service a thorough knowledge of foreign fields is necessary; an international service organization must be in operation and there must be adequate facilities in strong American companies.

The insurance problem of American interests abroad has been complicated in recent years, he recalled. Exchange restrictions have introduced difficulties. In one country a prospective assured must have his property valued by a government expert.

By purchasing insurance in American companies, the assured's problem is greatly simplified. Premiums and losses are paid in U. S. currency. The policy terms and conditions are uniform and are those with which the assured is familiar; the number of policies is greatly reduced.

The next speaker was Charles Seeley of Rathbone, King & Seeley of San Francisco, who gave in clear style a review of the effective steps that have been taken in California to control the operations of London Lloyds.

The final speaker at the Monday morning session was W. H. Menn of Los Angeles, president of the National Association of Insurance Agents. Af-

ter completing his prepared paper, Mr. Menn referred to the bill in Congress that might have the effect of bringing agents under the social security act. There was a great display of solidarity on the part of all the interests in the business in opposing this legislation. Less solidarity is manifest in connection with the insurance for the U. S. housing authority. The factory mutuals got in competition. Mr. Menn said he endeavored to get a solid front of the stock interests in seeking this business. Such a front has at last been created, he asserted. He expressed the belief that the endeavor will be successful, for one thing because the authorities will take into consideration the desirability of permitting agents throughout the country to participate. Mr. Menn praised highly the work that is being done by B. F. Carter, prominent general agent of Richmond, Va., in broadcasting revelations concerning the consumer cooperative movement.

Look for Federal Probe

Looking at the broader field Mr. Menn said that there should be a display of solidarity in all branches of insurance. While the SEC committee has been investigating life insurance he concluded that it does not mean that the fire, casualty and other branches are not to be subjected to the same inquisition. Up to the present the federal government has made no earnest attempt to supervise or regulate insurance because of the famous Paul vs. Virginia decision of the U. S. Supreme Court. But now there is a definite trend through the SEC investigation to swing insurance to regulation from Washington.

Mr. Menn referred to the hearings before the senate finance committee on house bill 6635, on which amendments were passed by the house intending to change the status of general agents, local agents and solicitors from independent contractors to employe classification for tax purposes. These people, he said, compensated on a commission basis are not subject to direction or control. The independent status of these producers, he said, is well established in fact as well as in law and no attempt, he asserted, should be allowed by "destruction by definition." Instantaneously, he said, there was evolved a display of solidarity on part of all branches of insurance in opposition to the particular amendment.

Several company men were introduced, they being J. R. Dumont, manager Interstate Underwriters Board; William Quaid, vice-president Home; P. J. Priore, assistant U. S. manager Sun; W. F. Watson, vice-president Globe & Rutgers; Wayne Seaver, vice-president Agricultural; Paul L. Haid, president Insurance Executives Association; H. M. Robertson, U. S. manager General of Paris; J. J. Magrath, vice-president Federal of Jersey City.

Guest of Fireman's Fund

The group was guest of Fireman's Fund at luncheon the first day. Vice-president E. T. Cairns of that city spoke a word of greetings, and introduced Vice-presidents George Townsend and C. C. Hannah and R. L. Ellis, Los Angeles manager. Mr. Ellis, a former vice-president of the general agents association, took charge; introducing some of the dignitaries, including J. M. Bradfield, Jacksonville, Fla., vice-president of the association; H. C. Stebbins, Denver, secretary; F. R. Lanagan, Denver, chairman executive committee; F. J. Pelletier, president California general agents association; L. R. Eby, president L. R. Eby & Co.; S. L. Carpenter, Jr., manager Pacific Board; Clarence Cobb of Denver; E. C. Fox, Cravens, Dargan & Fox; and Messrs. Menn, Dumont and Haid.

President Daniels' Address

President Daniels, in his address, called attention to the desirability of changing the title of members, abandoning "general agent" and using the title

Elected President



FRED R. LANAGAN

Fred R. Lanagan, head of the Daly general agency, Denver, was elected president of the American Association of Insurance General Agents at the annual meeting in San Francisco.

"managing underwriter." This is desirable because of the numerous general agents that are not general agents in the sense that they are supervisors but are paid extra commissions for their local business. The American association only allows as members those general agents that write no local business but spend all their time in supervision.

President Daniels recommended that state and regional associations of general agents who can qualify for membership be formed. In California there is the California Association of Insurance General Agents and in Washington the Northwest General Agents Association. He recommended closer contact with local agents in matters of common interest. Revision of the standard fire policy, the president regards as inevitable. He thinks it will result in covering a number of hazards now excluded. These changes contemplate interesting underwriting problems.

They may or will embrace, he said, hazards entirely unfamiliar to the underwriter but not necessarily one in a general agent's office where usually the entire category of insurance coverages is handled and underwritten daily. The new policy, he said, will include many coverages now incorporated in the extended coverage or supplemental endorsement.

DARGAN SOUNDS ALARM

Well Known Houston General Agent Points Out Some of the Present Perils

K. S. Dargan of Cravens, Dargan & Co., Houston, Tex., in his talk before the general agents said that the basic principle in all insurance transactions is average. Yet the insurance business itself, the companies and the men devoting their lives to it, are all standing on the brink of chaos. Rates continue steadily downward, he said, and the cost of doing business tends alarmingly upward. The cost of supervision and examination by the states adds to the expense ratio and there are taxes galore imposed on the business. The state commissioners, he said, add to the confusion and to the burden. The 48 sets of laws are complicated, conflicting and in many cases burdensome and expensive beyond reason.

By reinsuring a portion of their business fire companies have been able to

Government Control of Insurance Not Needed, Pink Says

Arguments against federal control and supervision of insurance were advanced by Superintendent L. H. Pink of New York, executive committee chairman National Association of Insurance Commissioners, at the commissioners' annual convention in San Francisco. His talk was broadcast over the Columbia Broadcasting System.

"While we freely admit that the federal government must exercise greater power than in the past," he said, "and that there must be larger concentration of power in the nation, the great majority of the people of the country undoubtedly believe that the federal government should do only those things which it can carry on better than the states, or which the states cannot do adequately for themselves."

Have Enough Bureaucracy

"There are some 80 bureaus and boards now located at Washington connected in one way or another with the control of business and industry. Great strides have been made and considerable efficiency has been developed despite tremendous obstacles, but considering the unusual burdens now thrust upon the federal government and the difficulty of handling them, is it logical that there should be thought of taking over the supervision of this great institution, and assuming a new and unnecessary burden of the first magnitude?

"Policyholders may well ask whether the supervision of insurance should be taken away from the states before the federal government has fully digested and worked out satisfactorily its most pressing problems—unemployment, the budget, agriculture and the railroads.

"The fact that federal supervision would not eliminate state supervision, but would to a considerable extent result in duplication of effort and create an added burden for the policyholders to carry, must be given weight in coming to a decision.

"We believe that the insurance supervision in this country has in the main been effective. We know that it is being constantly perfected. We who supervise it in the various states are seeking to make it fully responsive to the needs of the American people.

"I am not one of those who question necessary extension of federal control over industry to protect and preserve the economic structure of the nation. I believe in the great social and economic advances which have been made by the federal administration. But this is a union of the several states. It was contemplated that there would be a clear division of power between the states and the federal government. It was contemplated that the federal government exercise only those powers which are expressly given and are not reserved to the states."

get a better spread of liability, reducing their own lines and distributing a portion among other companies. The legitimate use of reinsurance, Mr. Dargan declared, is a most necessary factor in fire insurance. Yet this feature, he added, has been misused in the competitive scramble for business. In many cases large companies reinsure wholly or the principal part of the business written by comparatively small ones at rates of commission which are frequently double those paid to agents. This practice constitutes a rebate to various aggregations of individuals representing certain big policyholders. In other cases it constitutes an insidious form of excess commissions.

Mr. Dargan said while companies may differ in their methods, it is not safe to vary greatly from those practices the wisdom of which has been proven by experience. In speaking of the so-called

(CONTINUED ON PAGE 26)



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NEWS OF FIELD MEN

Four Field Groups in Michigan Elect

The annual meetings of the four Michigan field organizations at Charlevoix brought out an attendance of well over 100, including a number of ladies. The Belvedere, headquarters hotel, was open about 10 days ahead of the regular season, so the insurance men practically had the place to themselves.

At the annual meeting of the Michigan Fire Underwriters Association, these officers were elected: President, C. A. Dafoe, North British; vice-president, R. J. Price, New York Underwriters; secretary-treasurer, Walter R. Ewald, Detroit Fire & Marine. Glenn R. Edelman, Home, retiring president, was presented a testimonial and Robert Young, North America, who has been transferred to Iowa and Nebraska, was given a set of golf clubs. Especial commendation was given to the work of Damon Row, Springfield F. & M., at Lansing, and of Clarence Hubbard, Home, in connection with Business Development meetings.

Among the executives present were W. G. Bayliss, Aetna Fire; Arthur Huneke, Eagle Star; Raymond Waldron, Detroit Fire & Marine, and W. T. Benallack, Michigan Fire & Marine.

Other Organizations' Officers

The Michigan Field Club elected these officers: President, C. B. Herrick, Firemen's group; vice-president, S. A. Syrett, Northwestern National; secretary, D. C. James, Firemen's.

New officers of the Michigan Fire Prevention Association are: George H. Haage, Norwich Union, president; J. F. Bohrer, Camden, vice-president, and B. L. Hewett, Boston and Old Colony, secretary-treasurer.

Mr. Edelman presided at the meeting of the Michigan Blue Goose, as W. H. Wolf, American of Newark, most loyal gander, was unable to be present. Officers elected are: Most loyal gander, M. L. Degenaar, Firemen's; supervisor, T. N. Nyholm, National; custodian, J. F. Bohrer, Camden; guardian, G. L. Stone, Home; keeper, G. P. Kessberger, Citizens; wielder, W. T. Benallack; grand nest delegates, Messrs. Degenaar and Benallack.

Ten candidates were initiated, including Col. J. G. Emery, Michigan commissioner. The initiation was in charge of Walter Ewald, captain of the guard. Wielder Benallack's annual report showed a membership of 300 and an excellent financial condition. The memorial service for V. H. Schulheis and E. P. Rogers was conducted by G. R. Livingston, Aetna Fire.

Banquet Brings Out 125

There were 125 at the banquet, with A. R. Knaak, Connecticut Fire, as toastmaster. Acting Mayor Clare Webster, president Charlevoix chamber of commerce, extended a welcome. Mayor Reading of Detroit told of the intensive work being done along fire prevention lines in that city. Other speakers were Raymond Waldron, H. M. Carmichael, manager Oil Association, and H. B. Correll, deputy Michigan commissioner. Stewart Morgan, Agricultural, presented Norman Spencer an appropriate gift on his return as state agent of the Pennsylvania.

One afternoon was devoted to golf. The ladies were given a boat ride in the afternoon and a bridge game in the evening while the stag banquet was being held.

McGovern Made State Agent

N. P. McGovern of Des Moines, special agent St. Paul Fire & Marine, has been promoted to state agent in charge of the eastern half of Iowa. The change was announced by H. P. Martin, Iowa manager.

Wisconsin Field Meeting at Delavan

By J. C. O'CONNOR, Jr.

DELAVAN LAKE, WIS.—Wisconsin field men opened their annual gatherings here Tuesday night with the annual meeting of the Wisconsin Blue Goose. Most Loyal Gander Irven Frey, Firemen's of Newark, presided and a dozen candidates were initiated.

Life memberships were presented to George Wright, North British fleet, who was one of the original candidates for initiation when the Blue Goose was founded at Green Lake, Wis., in 1906, and A. D. Yeaton, vice-president New Hampshire Fire, now retired, who formerly traveled in Wisconsin for that company.

New officers elected are: D. W. Swanson, St. Paul Fire & Marine, most loyal gander; E. C. Hauser, North British & Mercantile, keeper; Eli Shupe, Home, supervisor; W. H. Berry, America Fore, custodian; E. L. Sternberg, Security, Conn., guardian, and R. A. Kenzel, Northern Assurance, wielder.

Mr. Kenzel was again recommended to the grand nest as grand wielder. Mr. Kenzel and Mr. Frey were selected as delegates to the grand nest.

The Wisconsin Blue Goose voted to incorporate, following reading of an opinion by Hubert Wolfe, Milwaukee, judge advocate of the grand nest. Irven Frey, retiring most loyal gander, was presented a jeweled emblem. Seven goslings were initiated.

Wednesday morning the Wisconsin Fire Underwriters Association, consisting of field men of Western Underwriters Association companies, stated its meeting, while the Wisconsin Insurance Club, composed of Western Insurance Bureau men, held a joint meeting with its brother organization, the Illinois Field Club. Wednesday afternoon was devoted to a golf tournament and baseball game and a dinner dance was held Wednesday night.

Campbell Presents "Fact Finder"

R. H. Bancroft, St. Paul, assistant secretary St. Paul F. & M., and D. C. Campbell, Chicago, credit manager America Fore group, spoke at the first session of the Wisconsin Fire Underwriters Association.

Mr. Campbell outlined the "fact finder" for determining the insurance situation of applicants for credit proposed by Vice-president L. E. Falls, American of Newark, at the recent meeting of the National Association of Credit Men at Grand Rapids. He pointed out that it can be a valuable check on other sources of credit data.

Officers of the W. F. U. A. will be elected Thursday.

James C. O'Connor, Chicago, editor Fire, Casualty & Surety Bulletins of THE NATIONAL UNDERWRITER, spoke at the combined gathering of Wisconsin and Illinois bureau field men. He reviewed a number of developments in fire insurance, particularly the gross earnings business interruption form. An open discussion followed his talk. R. E. McGonagle, Western Sprinkled Risk Association, also spoke. The Wisconsin Insurance Club reelected C. P. Hall, Standard, N. J., president. William Bailey, Dubuque F. & M., is vice-president and I. E. Frey, Firemen's, re-elected secretary. Officers of the Illinois Field Club are: President, R. B. Evans, Northwestern National; vice-president, L. J. Eppler, Concordia; secretary-treasurer, M. B. Olsen, Northwestern National.

Rename Pennsylvania Officers

PITTSBURGH—Officers of the Field Men's Association of Western Pennsylvania have been reelected. They are

Paul J. Mullen, Phoenix of London group, president; H. C. Burkhart, Security of New Haven, secretary, and W. Van Iderstine, Northern of England, treasurer. Walter Bell, America Fore, was elected to the executive committee, replacing G. E. Scuff, Royal Exchange, transferred to New York.

Eagle Star Names Larson in Chicago

State Agent L. C. Larson, now supervising the Illinois and southern Wisconsin field for the Eagle Star, will on July 1 become Chicago manager. At that time his former territory, except for Cook county, will be taken over by H. W. Yount, whose title will be changed from special agent to state agent. Mr. Larson joined the Eagle Star in 1923, having previously been with the Phoenix of London. After two years in the underwriting department of the former company at its United States headquarters in New York, he was appointed special agent for several mid-western states, gradually becoming familiar with its business in the entire western field. When the western department was closed in 1934 he devoted considerable time to developing the interests of the Eagle Star in Cook county, in addition to supervising his field. Operations in that territory have now attained such proportions as to require his major attention. Mr. Yount joined the Eagle Star staff in 1938, after four years' experience with the Illinois Inspection Bureau and two years with another organization. He is a graduate of Armour Institute with the degree of fire protection engineer.

H. J. Pulling, superintendent Cook county brokerage office since 1934, remains in that capacity. The change is effective July 1. Mr. Pulling and his family have gone on vacation to Three Rivers, Mich.

Joint Outing Is Held

The New England Insurance Exchange held its annual outing and June meeting at Rye, N. H., with about 100 attending. Resolutions were adopted on the death of C. H. Rice, formerly general agent of the Niagara, and A. W. Sewall, for many years general agent of the American of Newark. The Con-

Paul Johnson Advanced by America Fore

Announcement has been made by the America Fore of the appointment of Paul O. Johnson as fire prevention and appraisal engineer for the farm department. His headquarters will be in the Western office at 844 Rush street, Chicago. Mr. Johnson was formerly special agent for the farm department in central Illinois. In his present position he will aim to coordinate the work of local and special agents in the practical appraisal of the insurable values of farm property, will promote safety measures and the adoption of fire prevention practices and devices. He will be available to assist in fire prevention meetings and in the organization of rural fire protection districts. In this latter field Mr. Johnson is recognized as one of the best authorities both from experience and observation.

Pursuing his new duties, Mr. Johnson made an address on fire prevention at the convention of the Illinois Farm Agents Association at Peoria this month and conducted the round table at the Illinois fire school held in Champaign.

necticut Field Club, Mountain Field Club, Pine Tree State Field Club and Bay State Field Club joined in the outing.

Ryan New Head of San Francisco Pond

SAN FRANCISCO—Thos. F. Ryan, Fireman's Fund, who retires June 30 after 40 years with the company, has been elected most loyal gander of the San Francisco Blue Goose. Other officers elected are: Fred J. Grove, Fire Association, supervisor; J. H. Rea, North America, custodian; H. E. Manners, National Automobile Club, guardian; John Henry Martin, Standard Forms Bureau, keeper; Harrison Houseworth, wielder. Delegates to the grand nest are Mr. Ryan and Wielder Houseworth; alternates, E. M. Northup and D. M. Christian. Clyde Edmundson presented the past most loyal gander jewel to Lee H. Colburn and Elmer Bonstin, Pacific National, installed the new officers.

Minnesota Field Men Elect Canterbury and Lofgren

MINNEAPOLIS—Minnesota field men were back on the job this week after an enjoyable two day outing on Gull Lake, near Brainerd, Minn. A steady rain the first day kept the crowd indoors. Delightful weather the second day permitted the carrying out of a full program of land and water sports, eight contests being held.

The Minnesota Underwriters Association elected the following: President W. P. Canterbury, Caledonian; vice-president, George W. Blomgren, Security of New Haven; secretary-treasurer, L. E. Zell, Hanover.

The Minnesota State Fire Prevention Association's new officers were: President, A. R. Lofgren, Automobile of Hartford; vice-president, Virgil V. Roby, Travelers; secretary-treasurer, E. G. Harper, Northern Assurance.

The Blue Goose elected officers early in the year.

Campaign for Louis Law

The principal subject of discussion was the necessity for an intensified campaign to elect Louis L. Law, London Assurance, to the grand nest of the Blue Goose. It was emphasized that the Minnesota pond is rightly in line for such a recognition and members were urged to become actively interested.

Minnesota will send a delegation of from 15 to 20 to the grand nest at Cincinnati to make a splash for Mr. Law as grand keeper. The official delegates from Minnesota will be Mr. Law and Paul Enck.

Mr. Law has long been active in the Blue Goose and other insurance organizations in Minnesota and is an instructor in insurance at the University of Minnesota.

Among the guests were John McFarland, Rockford, Ill., superintendent of agents American of Newark; W. M. Higley, Babson Park, Fla., former Minnesota state agent of the Hanover; George Edmondson, Tampa, Fla., immediate past most loyal gander of the Florida Blue Goose; A. R. Gress, San Diego, Cal., former Minnesota state agent North America, and William Opsahl and John W. Chadbourne, local agents of Brainerd.

The principal speaker at the banquet was Lieutenant Governor Anderson. Mr. Edmondson promised the support of the Florida Blue Goose for Mr. Law. Paul Enck, general agent of Minneapolis, as most loyal gander of the Minnesota Blue Goose, presided as toastmaster. Walter Belford, Rhode Island, introduced Lieutenant Governor Anderson.

Alamo Blue Goose Elects

The Alamo Blue Goose, San Antonio, Tex., elected these officers: J. G. Gris-



Paul Johnson

wold, Griswold Adjustment Service, most loyal gander; G. J. Henry, Royal-Liverpool group, supervisor; Jack Frazier, Firemen's group, custodian; D. M. Pollard, Jr., Commercial Union, guardian; R. E. Alstead, Home group, keeper, and Oscar Finley, Crum & Forster, wielder. R. R. Dean, Fire Companies Adjustment Bureau, retiring most loyal gander, was elected delegate to the grand nest, and A. L. Thompson, Springfield Fire & Marine, alternate. Four goslings were initiated.

Allan Hickman, past most loyal gander of the South Texas pond, Houston, was a guest.

Jordan Wins Peoria Tourney, Chicago Group Golfs Friday

W. C. Jordan, inspector, and J. N. Borah, manager, both of the Illinois Inspection Bureau, finished first and second, respectively, in the golf tournament conducted by the Peoria puddle of the Illinois Blue Goose. Mr. Jordan had a low net of 69 and Mr. Borah a low net of 70. This qualified them for the state tournament which will be held in conjunction with other puddles in the state later on in the summer.

The Chicago contingent of the Illinois pond is holding its annual tournament at St. Charles on Friday. The Dan T. Smith puddle, which comprises Springfield, Decatur and other territory around that section, is holding its tournament July 12. The Rockford puddle has yet to announce the date for its tournament.

Baude on European Trip

Arthur Baude of Detroit, Wayne county superintendent of the Royal-L. & L. & G. group, and Mrs. Baude are leaving on a European trip celebrating their 35th wedding anniversary. They will be gone for six weeks. Mr. Baude started with the group 40 years ago, being connected with the western department of the Queen. He is one of the leaders in Michigan.

Honor Past Most Loyal Ganders

The Kansas Blue Goose will honor its past most loyal ganders with a dinner-bridge in Topeka July 10. Members of the Sunflower (Wichita) puddle will attend. Curtman Maupin, Home of New York, is chairman.

Name Kansas Committees

R. B. Lathan, North America state agent at Wichita and president Kansas Fire Underwriters Association, has announced his executive committee as follows: Howard Searle, Crum & Forster, chairman; George Steeple, Home of

Insurance General Agents Officers



L. B. DANIELS, San Francisco
President



HERBERT COBB STEBBINS, Denver
Secretary

N. Y., Wichita; Byron Ward, Glens Falls; Russell N. Colvin, American; and George Hampton, Phoenix of Hartford, all of Topeka. Bi-monthly meetings will be continued at Topeka with the exception of the annual meeting in May which is always held in Wichita.

J. S. Jenson, Topeka, Fire Association, most loyal gander of the Kansas Blue Goose has named J. Y. Dickerson, Firemen's, and R. N. Colvin, American, of Topeka, on his executive committee.

Almond Heads Texas Pond

DALLAS—T. McB. Almond, Aetna Fire, has been elected most loyal gander of the Texas Blue Goose. Other officers include: Supervisor, Charles L. Beale, Yorkshire; custodian, J. F. Mazzia, Fire Companies Adjustment Bureau; guardian, John Crawford, Republic; keeper, E. R. Schoen, Cotton Insurance Association; wielder, A. A. Haynes, Texas Inspection Bureau. Mr. Haynes was re-elected. Mr. Almond and Mr. Beale were named delegates to the great nest.

Chandler Elected in Ontario

F. G. Chandler has been elected most loyal gander of the Ontario Blue Goose, succeeding William Case. Other officers are: Supervisor, Roly Cheeseman; cus-

todian, Fred Midgeley; guardian, W. A. Hunter; keeper, J. J. O'Brien; wielder, H. C. Bailie. Membership increased from 249 to 271.

Firemen's Appointments

Don J. Paul, special agent of the Firemen's group in Indiana, is being transferred to Detroit to become special agent for Wayne county being under Manager W. C. Howe. To succeed him P. V. Smith is appointed Indiana special agent, he now being connected with the Indiana Inspection Bureau.

CHICAGO

DISCUSS COLLATERAL LINES

Last week the first meeting of the special committee appointed by the Western Underwriters Association to study collateral lines and to recommend some procedure that would clarify the present situation and harmonize differences made a start and the members are encouraged, feeling that while the subject is a very perplexing one and filled with many controversial points it is hoped that a least common denominator can be found that will satisfy the various interests. There was a very frank discussion of the subject and all members of the committee, numbering 20, advanced ideas. A further exploration will be made and by the time the next meeting is held it is thought that much factual data will be gathered. The next day following the meeting of this committee the governing committee had an import-

A subcommittee of the large committee was appointed to delve into the subject of better regulation of collateral lines and report to a later meeting of the full committee.

KRAUSE MAKES HOLE-IN-ONE

Frank H. Krause, adjuster of Frank L. Erion & Co., Chicago, made a hole-in-one at Tam O'Shanter Country Club near Chicago, of which he is a member. His ace occurred on the 130 yard No. 11 hole. In the foursome was Ray Oleksy of the Hugo J. Kravolec & Co. agency, Chicago.

JOSEPH A. LAVIN TAKEN BY DEATH

Joseph A. Lavin, formerly a leading agent of the Hintz Peter agency, Mutual Life of New York in Chicago until three years ago when he became ill, died. He also did a general insurance business, associated with his brother, Frank P. Lavin, past president Insurance Brokers Association of Illinois. He was 55, and has been in insurance 15 years.

Want Ideas ON COLLECTIONS?

IF WE TRADE DOLLARS we still have a dollar each, but if we trade ideas we have two ideas.

That was our thought when we got Millers National agents to swap ideas on collection letters.

We ran a contest and letters came in from the east, west, north and south — good letters that really bring in the money via Uncle Sam.

These letters were judged for their merit by Irving Williams, veteran insurance editor, and three of his associates. The top ranking letters are now published in a twenty-four page booklet and distributed among our agents.

Since this booklet is being so enthusiastically received by Millers National agents it occurs to us that the readers of THE NATIONAL UNDERWRITER might also like to have a copy, so . . .

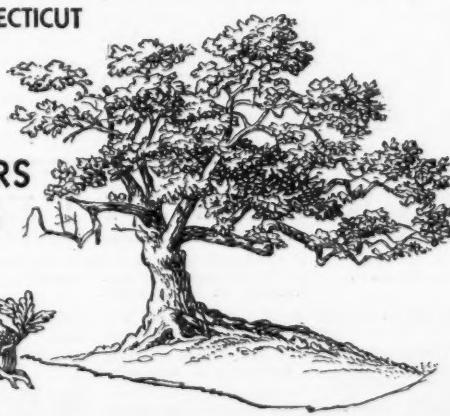
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EDITORIAL COMMENT

Headed Toward Federal Supervision

ALL those who have closely followed the SEC monopoly committee investigation of life insurance companies agree that it is very evident that federal control of insurance is devoutly to be desired by those in power and the inquisitors are attempting to draw from witnesses evidence that such a plan is necessary in order to protect policyholders. We are closer to federal supervision and regulation than ever before.

There are some in the business that want federal supervision on account of uniformity, greater efficiency and economy. However, if federal regulation does come to pass that does not mean that the states will give up their supervision over insurance. Therefore, in addition to the 48 supervising bodies we will have the federal bureau with extraordinary power.

Still farther back in the minds of those conducting the examination is the thought that the federal government should have control of all sources of credit. Whether this means that the national government desires to dictate to all kinds of insurance companies, how

they shall invest their funds, in what they shall invest their money and what they shall not purchase remains to be seen. At least the consensus of those who are close to the situation is that the Washington authorities certainly desire to have their hand on the assets of the life companies. The loaning machinery according to those in power in Washington should be concentrated at headquarters.

From an investment standpoint insurance has given an exceedingly good account of itself in comparison with other loaning institutions. Notwithstanding the supposed superiority of federal supervision there have been many more bank failures than insurance failures. The centralization of power and authority in Washington evidently is a definite policy of the administration. There are some great weaknesses in the state supervisory system of insurance. The majority of insurance people undoubtedly would prefer to see the present system continued rather than to have the head of one bureau decide the destinies of the business.

Building Their Own Personnel

MORE and more fire and casualty companies are building up their own personnel so that they do not need to call on outside timber in case of a vacancy. In this way they can train men along the lines they desire. They have those in the making at all times, those who are well acquainted with the company, its practices, methods, ways of doing business, reputation, etc. Therefore, when a vacancy higher up occurs one of these men is shifted from within and it takes him but a little while to become oriented. Any outsider, however able he may be, requires considerable time to get adjusted and acquainted with the

company. Many years ago companies were not so prone to build up their own organization of potential talent and promote men from within. Now when a vacancy occurs more than likely a man will be advanced from within the organization.

This has caused young men affiliated with companies to endeavor to make themselves more useful and efficient. They realize that their future depends very largely on the company with which they are affiliated. If they lose out in that company, it is getting more and more difficult to secure a position with another.

Value of Public Speaking Classes

IN DIFFERENT insurance centers public speaking classes have been formed and conducted or coached by someone who has had considerable experience in that line, who is a discriminating critic, who appreciates the value of a person being trained so that he can think on his feet and talk readily without being bewildered or confused. The very fact that these young people are trained to do public speaking may be the chief

motive in promoting a class of this kind.

However, those who are close observers realize that one of the greatest benefits comes from the fact that people who take these courses and get into the practical end, become far more easy in conversation. Therefore, their contacts with the public are more effective and pleasing. This is particularly true in the case where one be-

comes a salesman or has to interpret insurance to the public in different ways. A course of this character has improved the personal manners of pupils. Very often people are called upon to preside at meetings, to speak, to make

extemporaneous remarks at gatherings and if they can do so it is a most satisfactory accomplishment. Young people should be encouraged to take courses of this kind, whether they expect to do much speaking or not.

PERSONAL SIDE OF THE BUSINESS

W. H. Houston, secretary Northern of London, is back at work on a curtailed schedule after an absence of eight weeks following an operation. A severe infection set in and laid Mr. Houston low. He is now much improved and expects to resume his duties in full shortly.

The engagement of Miss Vera Annette Philbrick, daughter of Mr. and Mrs. H. R. Philbrick of Hartford, to D. N. Carvalho, 2nd, son of **B. N. Carvalho**, president of the Northeastern of Hartford, has been announced.

E. D. Lawson, western manager Fireman's Fund, Chicago, has purchased a 50-foot cabin cruiser. For a number of years Mr. Lawson, who formerly was western marine manager of the Fireman's Fund, was an "admiral" without a navy. He had been dubbed "admiral of the Great Lakes" by former Governor Ruby Laffoon of Kentucky, but still was called landlubber in some quarters. Mr. Lawson's new craft has been christened the "Jandeled," which is a combination of the names of members of his family.

A. L. Merritt, United States manager of the Pearl Assurance of London, is en route to the Pacific Coast where he plans spending several weeks. Incidentally, he is an old-time friend of Judge Anthony Caminetti, newly appointed insurance commissioner of California, the two having been schoolmates.

The University of Michigan conferred the honorary degree of master of arts on **C. W. Seabury**, president Marsh & McLennan of Chicago, "for distinguished service in business and civic affairs." He was at Michigan for two years looking forward to a bachelor of arts degree with the class of 1898 but was not able to complete his course.

Willard Quinn, head of the Kansas Underwriters, Wichita, Kan., general agency, and Mrs. Quinn are on an automobile trip to the Pacific Coast. Mr. Quinn is attending the annual meeting of the American Association of Insurance General Agents in San Francisco.

Gerald S. Parke, president of Parke-Stethem, Ltd., of Montreal, and Parke-Stethem, Inc., of Illinois, was a visitor in Chicago for several days, conferring with Carl J. Sanders, manager of the Chicago office, which has jurisdiction throughout the United States.

O. E. Lane, president of the Fire Association, has been elected a director of the Pennsylvania Salt Manufacturing Company.

Clinton D. Lasher, Pacific Coast manager of Home of New York, sailed Saturday with Mrs. Lasher for a vacation trip to Alaska. Mr. Lasher gave a luncheon for a few of his Chicago friends who were in the city for the convention of the National Association of Insurance Commissioners, the day before he sailed. That group included Jay S.

Jay S. Glidden, manager of the Chicago Board, is taking a cruise through the Panama Canal from San Francisco after attending the meeting there of the National Association of Insurance Commissioners.

Raymund Daniel of Atlanta, Ga., executive secretary Industrial Insurers Conference and former associate editor of the "Insurance Field," received from the Alabama Association of Insurance Agents a framed certificate announcing that he had been "promoted from honorary member No. 1 to honorary life member" of the organization. About 20 years ago the Alabama association made Mr. Daniel an honorary member. The only other life honorary member is Insurance Commissioner Julian. Mr. Daniel is also an honorary member of the Georgia Association of Insurance Agents and the Atlanta Association of Insurance Agents.

C. E. Twitchell, president Minnesota Implement Dealers Mutual, is recovering from injuries sustained in an accident while riding a horse. He probably will not be able to return to his office before fall.

J. W. Allen of the third generation of the **McKinney & Allen agency**, Sioux Falls, S. D., has just graduated from the University of Chicago. Although he took his degree in economics and later may decide to enter the insurance business, he is to leave shortly to teach English in a college at Assiut, Egypt, about 250 miles up the Nile from Cairo. His grandfather and father are president and vice-president respectively of the agency, which will celebrate its 60th anniversary next year.

W. H. Lininger, retired western manager of the Springfield F. & M., who spends his winters at the Lodge in the Desert near Tucson, Ariz., and Mrs. Lininger, accompanied by their son, Homer D., his wife and three children, have gone on a trip to Sweden and will not return until September. Homer D. is proprietor of the resort, "The Lodge in the Desert."

Thomas J. Byrne, Jr., of the Byrne, Byrne & Hahn agency, Chicago, is the father of a daughter, Kathleen, born in Evanston Hospital Sunday.

Frank T. Priest of the Dulaney, Johnston & Priest agency, Wichita, well known in national and Kansas agency association affairs, who has not been in the best of health for the past year or so, is going through the Mayo clinic at Rochester, Minn., for a complete check-up. Mr. Priest has been at his desk

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part time for several weeks after spending part of the winter in the south. It is thought that he is bothered by severe wounds suffered while overseas during the world war.

Clarence J. Daly, president Daly Agency of Denver and the Capitol Life of Colorado, won the O'Fallon Trophy at the annual tournament of the Denver Country Club. Mr. Daly played 67-65-71-68 for a total of 271 on a 71-par course.

W. H. Riker of Chicago, manager of the North America, and Mrs. Riker are taking their vacation in the east, having attended commencement exercises at Harvard Medical School where their son, Letcher, graduated. He will become an interne at the hospital at Cooperstown, N. Y., which recently achieved prominence by the baseball ceremonies there, the game having originated in that section.

Dr. Alfred Manes, who resigned his chair at Indiana University to accept a professorship at Puerto Rico University, starting in September, is confronted with an embarrassing predicament as the Puerto Rico institution now notifies him that owing to a serious deficit it will not be able to carry on the work to which he had been assigned. He, therefore, is located for the time being at 5203 Dorchester avenue, Chicago. He hopes to secure either some school or company insurance work.

Two old war horses of the National Association of Insurance Commissioners, straggling back to their homes from the San Francisco convention, were in Chicago this week, they being **Joseph Button**, now secretary and manager of the Stock Company Association at Washington, D. C., and **J. Victor Barry** of Bronxville, N. Y. Mr. Button was former Virginia insurance commissioner and for a long time was secretary of the commissioners' organization. Mr. Barry was famous as Michigan commissioner and later became vice-president of the Metropolitan Life, retiring some years ago. The two are close personal friends.

In the person of its two principal officers, the **Seeley & Co.** general agency of San Francisco is master of air and sea. President L. B. Daniels is an experienced airplane pilot and he operates his own plane—a Stearman Hammond. Vice-president J. A. Cassidy, on the other hand, is a sailor and he operates in the San Francisco waters his 40 foot ketch "Homeward Bound."

W. E. Mallalieu, general manager of the National Board, accompanied by Mrs. Mallalieu, sailed on the "Aquitania" for Southampton Wednesday, intending to spend several weeks at Torquay, a resort on the English Channel. They will return on the "Mauretania" July 25.

Miss Gretchen Main, daughter of **David J. Main** of the Denver agency of Standart & Main, was married June 24 to D. I. Davidson in the Episcopal Church of the Ascension. Mrs. H. W. Keyes of Boston, sister of the bride, was her only attendant. The reception was held at the Main residence. The bride attended the University of Colorado and the groom was educated at New Mexico Military Institute. After a honeymoon they will return to Denver to reside.

DEATHS

Henry M. Gratz, 86, for more than 30 years president of the Girard Fire & Marine, died at his home in Wallingford, Pa. Mr. Gratz came from an old Philadelphia family, his grandfather, Hyman Gratz, having founded Gratz College in

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Philadelphia, a leading Jewish institution, in 1856, and his great grandfather having come from London in 1757.

Charles E. Smith, 57, president of Smith Brothers agency, Indianapolis, died from a heart attack while on a fishing trip near Warsaw, Ind.

Fred H. Scofield, well known local agent at Traverse City, Mich., died at the age of 69. He had been in the business for 13 years. The founder of the Scofield agency was his brother, Eugene. The agency is now 23 years old. His daughter, L. M. Mikula, will carry on the business.

Fred M. Branch, 70, who retired as Pacific Coast manager of the New York Underwriters, December 31, 1937, died from injuries sustained in an automobile accident at Pleasanton, Cal. He had been in the insurance business 54 years. A native of San Francisco, he joined the New York Underwriters there in 1896 and "grew up" with the organization. Up to 1916 he was in the field. At that time he was made assistant manager. A few years later he was appointed Pacific Coast manager, which position he held until his retirement.

Mr. Branch was one of four company managers who retired about the same time and were accorded a "foursome" testimonial early in 1938. The other three were among the 100 or more honorary pallbearers at his funeral. They are Frank M. Avery, Fire Association; George O. Hoadley, American of Newark, and Benjamin Goodwin, St. Paul Fire & Marine.

John S. Herrington of Gorham, N. Y., the only insurance agent in that locality, died suddenly from a heart attack. He had served as postmaster of Gorham, and in the New York legislature. A brother-in-law, Frank A. Snyder, Geneva local agent, is continuing the agency for the Herrington estate, pending its disposition.

Robert Lecky, Jr., Richmond, Va., agent, died after more than a year of failing health. He started his agency in 1911 after being associated with the old Virginia State Fire as vice-president and secretary. He started in insurance 55 years ago at age 14 with the John W. Gordon general agency in Richmond. Later he became a special agent of the Continental before becoming associated with the Virginia State Fire as special agent. He had been active for many years in affairs of the Richmond Board.

Associated with him in his agency were A. L. Richardson, secretary local board; his brother, W. R. Lecky; and his son-in-law, Harry O. Stone. He was an uncle of J. D. Lecky, Jr., Ohio state agent of the Provident Fire.

Mr. Lecky during the time he was an official of the old Virginia State became well acquainted with the various organizations, and came in contact with company officials all over the country. He had a remarkable memory. He was sagacious and clever in his operations. The Great American took over the Virginia State. Mr. Lecky secured the admission of the Continental to Virginia.

Stephen Skodak, 59, Lorain, O., local agent for 35 years, died from a heart attack.

E. J. Miller, 55, Ida Grove, Ia., local agent, died at Excelsior Springs, Mo.

Ragan to West Virginia Bureau

Philip H. Ragan, assistant actuary Farm Bureau Insurance Services, Columbus, O., has resigned to become statistician for the West Virginia Inspection Bureau at Charleston. In addition to other work, Mr. Ragan will have charge of the compilation of the combined all-company West Virginia fire insurance loss experience required to be filed periodically with the insurance commissioner under the change recently made in the West Virginia insurance laws.

Although a young man, Mr. Ragan has had a wealth of actuarial and statistical experience in both the casualty and fire fields, extending over 16 years. He is a native of Columbus, although he gained most of his insurance experience in Chicago.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 26, 1939

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	109	112
Aetna Fire	10	1.60	46 1/4	48 1/2
Aetna Life	10	1.35*	30 7/8	32
Agricultural	25	3.25*	78	81
Amer. Alliance	10	1.20*	22 1/2	24 1/2
Amer. Equitable	5	1.20	21	22 1/2
Amer. Home	10	—	8	9
Amer. (N. J.)	2.50	—	13 1/4	14 1/4
Amer. Surety	25	2.50	48 1/2	50 1/2
Automobile	10	1.30*	34	35 1/2
Balt. Amer.	2.50	3.00*	6 1/2	7 1/2
Bankers & Ship.	25	5.00	89	92
Boston	100	21.00	610	620
Camden Fire	5	1.00	20	21
Carolina	10	1.30	27	29
Contl. Cas.	5	1.20	31	33
Contl. N. Y.	2.50	1.80*	36	37
Crum & Forster	Com.	1.00	26	28
Employers Rein.	10	1.60	48	50
Fidelity-Phen.	2.50	1.80*	36 1/2	37 1/2
Fire Assn.	10	2.50	64	66
Firemen's (N. J.)	5	.40	9 1/2	10 1/2
Franklin	5	1.40*	29	31
Gen. Reinsur.	5	2.00	41 1/2	43
Glens Falls	5	1.60	39	41
Globe & Repub.	5	.50	11 1/2	12 1/2
Gt. Am. Fire	5	1.20*	26 1/2	27 1/2
Gt. Amer. Ind.	1	.20	10	11
Hallifax Fire	10	1.00**	22 1/2	23 1/2
Hanover Fire	10	1.20	27 1/2	28 1/2
Hartford Fire	10	2.00	79	81
Hartford St. Boil.	10	1.60	55	57
Home Fire Sec.	10	—	1 1/4	2
Home Ins. (N.Y.)	5	1.60*	31	32 1/2
Home Indem.	3	—	11	12
Ins. Co. of N. A.	10	2.50*	70	72
Lincoln Fire	5	—	2 1/2	3
Maryland Cas.	1	—	2 1/2	3 1/2
Mass. Bonding	12.50	3.50	56 1/2	58 1/2
Merch. com. (N.Y.)	5	1.70*	40	44
Natl. Cas.	10	1.20*	26 1/2	28 1/2
Natl. Fire	10	2.00	59 1/2	61
Natl. Liberty	2	.40*	7 1/4	8 1/2
Natl. Union	20	5.00*	127	134
New Am. Cas.	2	.65	13	14
New Hampshire	10	1.80	46	48
Northeastern of Hartford	5	—	4	4 1/2
Northern (N.Y.)	12.50	5.00*	95	97
North River	2.50	1.20*	25 1/4	26 1/2
N. W. Natl.	25	5.75*	124	129
Phoenix, Conn.	10	2.50*	78	80
Preferred Acci.	5	1.00*	18	19
Prov. Wash.	10	1.40*	33	34
Republic, Tex.	10	1.20	25	27
St. Paul F. & M.	62.50	8.00	222	227
Security, Conn.	10	1.40	31	33

Watch Rate Probe Bill in Illinois Legislature

This will be the last week of the Illinois legislature. The greatest interest centers on senate bill 613 which has passed the senate and gone to the house providing for the appointment of five senators and five representatives to investigate insurance rates at any time during the next two years. There is no restriction as to the sort of rates to be investigated. It is a wide open resolution. Another bill provides that two rating bureaus can be maintained for personal property floaters. Under the code there can be but one rating bureau for one class of insurance but if this bill passes the Chicago Board can make personal property floater rates as well as the official personal property floater bureau.

House bill 1087, which would prevent a combination of casualty and surety companies from paying uniform commissions went down with all bills on the third reading last week. They were wiped off the docket in a body.

Garrett Agency Expands

The T. W. Garrett, Jr., general agency of Kansas City has been appointed by Central States Fire in charge of business in Colorado and Wyoming. An office will be opened by the Garrett agency in Denver. This agency is district manager for a number of companies in Missouri and Kansas and has offices in St. Louis, Joplin and Wichita in addition to the headquarters office at Kansas City.

	Par	Div.	Bid	Asked
Sprgld. F. & M.	25	4.75*	120	123
Travelers	100	16.00	465	475
U. S. Fire	—	4	2.00	50
U. S. F. & G.	2	1.00	20 1/2	22 1/2
Westchester Fire	2.50	1.60*	34 1/2	35%

*Includes extra. **Canadian funds.
A. W. Pardew, president W. W. Flanegin & Co., Pittsburgh, attended the Shriners' convention in Baltimore.

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"Certainly the part that the America Fore Group has contributed has been outstanding."

Excerpt from a letter of a leading American bank president. The letter is on file at America Fore, 80 Maiden Lane, N. Y.

The America Fore Insurance and Indemnity Group comprising six Fire companies and one Casualty company, is one of the largest and strongest American insurance groups. It writes practically every kind of insurance except life. On its Boards of Directors will be found a cross section of leaders in American business and industry, men who have guided America Fore to its present outstanding position in the field of underwriting.

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ROBERT L. HOQUET—*President & Trustee*
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EUSTIS PAINE—*President & Director*
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The NATIONAL UNDERWRITER

June 29, 1939

CASUALTY AND SURETY SECTION

Page Seventeen

Field of General Agent Outlined by James M. Haines

Points Out His Responsibilities, Duties and Opportunities

SAN FRANCISCO—The status of the casualty and surety general agent should be defined through the establishment of specific rules and standards determining qualifications, privileges and limitations, J. M. Haines, United States manager London Guarantee & Accident, and president of the Phoenix Indemnity, told the American Association of Insurance General Agents. Mr. Haines also is president of the Association of Casualty & Surety Executives.

Paying high tribute to the vital part general agents played in developing the casualty and surety business during its pioneering days, Mr. Haines declared that there is still genuine need of such men and agencies. By way of illustration he pointed to the efforts that are being made to implant consumer cooperatives throughout the American business order, saying general agents could do much to prevent the spread of this movement in the insurance business by expertly servicing accounts, adequately covering insurance needs, and developing outstanding producers.

Must Assume Responsibilities

Mr. Haines warned, however, that a specific definition of the general agents' status should be no one-track proposition; in return for the privileges and rights that would be accorded them. He said general agents must assume commensurate responsibilities. Declaring that he found no material difference between the obligations incumbent upon a general agent and branch office manager, the speaker cited what he considered should be the duties and responsibilities of "a real casualty and surety general agent":

"First, the general agent must accept and respect the responsibilities which accompany the privileges and rights he enjoys, or expect to be replaced. He is given his territory and it is his job to develop it, not by skimming off the cream and leaving unprotected what he considers to be less profitable business, but thoroughly and in a manner which shows that he has in mind the good of the trilogy he serves—public, producer, company. Obviously he must produce profitable business."

Akin to Company President

"I do not mean to say, of course, that the general agent should be held solely responsible for underwriting results, because underwriting is a function of the head office. The general agent does, however, occupy a position similar to that of a branch manager or, for that

(CONTINUED ON PAGE 24)

Form National Committee to Study O. D. Question

A united front in the fight against occupational diseases was achieved this week with formation at Chicago of a national committee of all interests, whose objective is to solve the problem.

The project is sponsored by the Insurance Brokers Association of Illinois, the originator of the plan being G. H. Anderson, vice-president, director and chairman compensation committee Illinois Brokers Association. Mr. Anderson stated this week all interests, including national casualty organizations and companies, Illinois state officials and medical men, enthusiastically have volunteered their cooperation. There is, he said, great need for adequate O. D. laws in all the states and for centralizing the work of studying occupational diseases.

Among members of the committee who already have signified willingness to serve, Mr. Anderson said, are J. D. Dorsett, manager casualty department Association of Casualty & Surety Executives, and William Leslie, general manager National Bureau of Casualty & Surety Underwriters, both of New York; P. J. Angsten, Illinois industrial commissioner, Chicago; John Falasz, Illinois state factory inspector, Chicago; Clark Bridges, chief engineer Casualty Mutual, Chicago, an authority on O. D., who will have charge of engineering for the committee; K. M. Fowler, superintendent of engineering Continental Casualty home office, Chicago; J. D. Keenan, secretary Chicago Federation of Labor; important medical interests which cannot at this time be identified, and a high official of the Illinois state department of health.

Extend Invitation to National

The National Brokers Association in March was invited by Mr. Anderson to sponsor and head the committee, the Illinois brokers group in a resolution urging that Mr. Anderson be appointed the chairman.

The matter was referred to the national executive committee. Mr. Anderson said he was informed by H. W. Schaefer of New York, national president, the project was rejected on the ground it should properly come within the province of the casualty committee and not be a special committee, and secondly, that precedent demanded such a committee should not include non-members.

Mr. Anderson stated the O. D. problem is so complex it can be handled only cooperatively by the best informed men among all the interests affected; that no single group is competent to carry on the work.

He said he would propose to directors of the Illinois Brokers Association at a meeting this week withdrawal from the national group and refusal to pay the per capita national membership fee. A number of leading organization brokers at Chicago are questioning the value of their national group and are disposed not to pay the national fee.

Illinois Fine Testing Ground

Illinois is the logical place to study occupational disease, Mr. Anderson said, because it has the greatest diversification

of industry, is the largest medical center in the world and has every known occupational disease. There is in addition the comparatively new Illinois state occupational disease clinic, founded a year or more ago at Chicago, in which the state health department is collaborating with Illinois University medical school in an intensive study of such diseases. This work is in charge of Dr. M. H. Kronenberg, chief of the division of industrial hygiene, state health department.

A great amount of laboratory work has been carried on in segregating the occupational diseases, learning their characteristics and indications and studying possible cures or methods of minimizing the ill effects and lengthening the diseased workman's useful life. A large clinic building is under construction in Chicago, which is to be elaborately equipped and probably will be occupied in three or four months.

Diseases Generally Scheduled

The reason for formation of the committee, Mr. Anderson said, is primarily humanitarian. Comparatively little is known about occupational diseases. This is a new study. However, insurance companies stand to gain much benefit.

The approach, from an insurance standpoint, almost everywhere has been from the angle of recognizing a few of the more severe diseases, such as silicosis and asbestosis, scheduling them in the statute as necessary to cover, but ignoring all others less apparently harmful.

"Only Illinois and Indiana," Mr. Anderson said, "have occupational disease statutes which are all-inclusive. These are model bills that ought to be adopted by all other states. It is not sufficient to schedule a few diseases. At this stage it is not possible to say definitely what are the end results of the seemingly less harmful occupational diseases. Then, too, some people are more allergic to dust and other harmful working conditions than are others. It is known, for instance, that syphilitics are in danger of losing their lives when they go to work in the lead industry. They are very quickly affected by absorption of lead. There may be many other industries in which allergy plays an important part in contracting occupational disease. The point is that no one knows definitely and it is high time that we found out."

"A great deal of thought and study is necessary to provide proper protection against occupational diseases under the various state laws. The purpose of the committee is mainly to study and foster adequate O. D. legislation, but also to determine precisely the degree to which health is impaired by the known occupational diseases and perhaps by many others which to date are unknown; study much more exhaustively the hazards involved in working in plants where there is much dust, chemicals and other poisons which can be absorbed or inhaled. Other objectives are to promote and standardize better underwriting of occupational diseases and to expedite the acceptance or re-

(CONTINUED ON PAGE 25)

National A. & H. Association Names Cornett President

Plans Expansion Program
—To Show Socialized Substitutes Necessary

NEW OFFICERS ELECTED

President—W. B. Cornett, Columbus, O., Loyal Protective Life.

First vice-president—E. H. Ferguson, Chicago, Great Northern Life.

Second Vice-president—C. E. Dalrymple, Milwaukee, Preferred Accident.

Third Vice-president—G. L. Dyer, Jr., St. Louis, Columbian National Life.

Secretary—Homer Bisch, Toledo, National Casualty.

Executive committee—E. H. O'Connor, Newark, Bankers Indemnity, retiring president; H. M. George, New York, United States Fidelity & Guaranty, president Accident & Health Club of New York; J. H. Casenave, San Francisco, Hartford Accident, and W. M. Ivey, Pittsburgh, Monarch Life, president Pittsburgh Accident & Health Club.

By R. B. MITCHELL

NEW YORK—Determined to promote the accident and health business and demonstrate that socialized substitutes are unnecessary, the National Accident & Health Association concluded its tenth annual meeting here by electing as president W. B. Cornett, field director Loyal Protective Life, Columbus, O., who earlier had laid down a concise, concrete program of expansion for the association.

It was decided to hold the annual meeting in Columbus next June and the midyear meeting in St. Louis in January.

Cornett A. & H. Specialist

A summary of Mr. Cornett's 13-point program appeared in THE NATIONAL UNDERWRITER last week. The new president is well fitted to put his program into effect. He is an accident specialist and has been one almost continuously since he entered the business in 1920 and sold 1,088 personal accident policies carrying an average premium of more than \$40. Except for a two-year period with the Federal Life of Chicago he has been with the Loyal Protective or with its former running mate, the Equitable Accident. As field director of the Loyal he covers Ohio, Indiana, Michigan and West Virginia.

Through experience and observation Mr. Cornett is convinced that the accident business is too good to be a sideline and is worthy of any producer's full-time efforts.

In addition to the general plan of promoting organizations in all cities of 100,000 and larger where none already exist

(CONTINUED ON PAGE 24)

Countersignature Law Opinions Vary

**Commissioners to Take Up
Harrington Model Law at
December Meeting**

SAN FRANCISCO—Distinct difference of opinion was manifested on the question of uniform countersignature law at a hearing on the subject called by Harrington of Massachusetts during the convention of the National Association of Insurance Commissioners here. Harrington had drafted a proposed model law and had sent copies to the commissioners in advance. He indicated eagerness to have this draft immediately approved and recommended by the association for enactment in the various states. He was finally induced, however, to have copies more widely circulated and to invite criticism and suggestions from the business and to take the matter up again at the December meeting.

Harrington said that it was not his intention to prejudice pending litigation on the countersignature issue but that he is anxious to promote uniformity in countersignature provisions. He said that Walter H. Bennett, manager National Association of Insurance Agents, had suggested that the recommended law cover the agency qualification features as well. Harrington said this would not be feasible.

Julian of Alabama recommended that the Harrington draft be submitted to the convention for endorsement. Julian said that he would be willing to propose the Harrington bill in lieu of the Alabama countersignature law.

Charles Wants Action Deferred

A. C. Charles, representing the marine interests asked Harrington if he were familiar with the countersignature law that the agents' association has drawn. Harrington replied that he was familiar with it but that it deals primarily with the qualification of agents and that is too ambitious a program for the commissioners' committee. So far as the countersignature provision is concerned it is not at odds, he said, with the agents' recommendation.

Charles suggested that the Harrington plan be circulated more widely and that consideration of it be deferred until the December meeting. Most of the legislatures have now adjourned, he pointed out.

J. M. Eaton, American Mutual Alliance, endorsed Charles' suggestion. He said that by the time of the December meeting some court decisions will probably have been handed down and they will serve as guide posts. He referred to the fact that the Florida case is now before the United States Supreme Court and that a decision is expected prior to December.

Lloyd of Ohio said that the commissioners should first consider whether they want to recommend a statute of any kind in the premise. "We would be going pretty far in invading a field that properly belongs to the people of the state," Lloyd asserted. "In Ohio the recommended statute would conflict with the Ohio laws and would introduce principles that are foreign to what the people of my state have enunciated."

Harrington said that his idea is to produce something that would minimize unnecessary litigation.

What Harrington Bill Provides

The Harrington model bill provides that the countersigning agent shall receive at least 50 percent of the commission paid the producing agent or broker if the commission does not exceed \$10. If the commission exceeds this sum, the countersigning agent is to receive a "reasonable compensation" not to exceed \$100. Larger commissions may be paid upon agreement with the agent or

New Branch Manager Is Now Located in Detroit



F. K. KLEENE

The new branch office of the Globe Indemnity of Detroit which will cover Michigan is located in 1421 National Bank building. F. K. Kleene is manager. For the last five years he has been in the production department for the Standard Accident in metropolitan Detroit territory.

Mr. Kleene entered the casualty insurance business nine years ago with the Standard Accident. He put in four years in the home office as an underwriter, most of the time in the compensation and liability department.

Broker originating or controlling the risk. If the contract is procured outside the state by the insurance company directly, without intervention of a licensed commissioned agent or broker, the bill provides that the local agent shall receive a "brokerage commission." Non-resident brokers are to be charged an annual license fee of \$10, but not required to pass an examination. Fines of from \$25 to \$100 are provided for any company, agent or broker who violates the statute.

Where Law Would Apply

The proposed countersignature law would apply to all contracts of insurance or suretyship written by licensed, foreign or alien carriers covering persons resident in the state, property situated in the state, risks incident to the performance or non-performance of any contract or obligation to be performed in the state, and risks incident to any obligation or duty governed by the laws of the state although actually to be performed elsewhere. Countersignature by a resident licensed agent of the state doing business on a commission basis is required. Specifically excepted from the Harrington bill are life and annuity contracts and accidental death and disability contracts in connection with life insurance, insurance on the rolling stock of railroads and on any vessel, aircraft or motor vehicle used in interstate or foreign commerce, liability insurance on property used in this connection, insurance on property in transit through the state in interstate or foreign commerce, and reinsurance.

Mudra Heads California Adjusters

At its annual meeting the Casualty Insurance Adjusters Association of California elected the following: President, L. Z. Mudra, California Agencies; vice-president, Harold Thomas, American Automobile; secretary-treasurer, Ben T. Sheppard, Hartford Accident. Mr. Sheppard has held his post for a number of years. There are 152 active and honorary members.

Callender Honored by Insurance Men on His Retirement

The insurance fraternity at Chicago under the auspices of the Illinois Insurance Federation gave a dinner Tuesday evening in honor of J. E. Callender, who retires this week as manager of the central department of the Ocean Accident and Columbia Casualty. H. N. Douglass, manager of the New Amsterdam Casualty, and president of the federation had charge. His time during the evening was almost exclusively occupied in keeping the joint toastmasters in line and preventing them from doing harm to one another. It had been arranged to have a double decked, double plated toastmastership and this arrangement caused President Douglass no end of embarrassment, he being called upon from time to time as arbitrator, as each toastmaster claimed that he was in charge. The toastmasters were C. H. Burras of Joyce & Co., and C. M. Cartwright, THE NATIONAL UNDERWRITER.

Presentation Made

At the close of the speaking, President Douglass presented Mr. Callender with three box seats for the rest of the season to each game that the Chicago Cubs will play at home. To fortify him for his baseball activity he was given a baseball uniform, bat and ball, the uniform to be stretched to suit Mr. Callender's size. A pleasing part of the program was a surprise to Mr. Callender when Mrs. Callender walked up to the front after the presentation as all sang a parody on "Take Me Out to the Ball Game." Mr. Callender spoke feelingly of his association with the Illinois Insurance Federation and the insurance people in general.

At the speakers table, in addition to the president and the toastmasters were George Trammel, manager Aetna Casualty & Surety; Lew H. Webb, Conkling, Price & Webb; Cliff C. Jones, Kansas City, president National Association of Casualty & Surety Agents; Wade Fetzer, president W. A. Alexander & Co., Chicago; A. H. Stofft, New York City, associate manager agency department, Ocean Accident; W. H. Stewart, Stewart, Keator, Kessberger & Lederer, Chicago; W. H. Jennings, Rockford, Ill., president Illinois Association of Insurance Agents; R. W. Troxell, Springfield, Ill.; Roy L. Davis, assistant Illinois insurance director; E. I. Fiery, manager Royal Indemnity, president of the Chicago Casualty Managers Association; J. C. Lanphier, Springfield, former president Illinois Insurance Federation. Those who spoke were Messrs. Fetzer, Jones, Davis, Trammel, Stofft, Lyman M. Drake of Critchell, Miller, Whitney & Barbour, Chicago. A few of the out of town men present were Assistant Secretary E. F. Foster, Fidelity & Deposit; Dudley Gibson, Alton, Ill.; John C. Fisher, Crown Point, Ind.; H. H. Cleaveland, Rock Island, Ill.; W. H. Schapaker, Milwaukee.

Lighthouse Club as Host

Mr. Callender was the guest of his office associates at a dinner sponsored by the "Lighthouse Club." United States Manager Henry Collins was on from New York. F. S. Knapp, accountant and president of the club, presided. Talks were made by Manager Collins, Ralph Potter, attorney, who for 13 years was superintendent of the Ocean claim department in Chicago, and A. H. Stofft, associate manager of the agency department at the head office. L. S. Jones, who succeeds Mr. Callender as manager, presented him with a wrist watch from his associates. President Knapp gave him an honorary life membership in the "Lighthouse Club" and also presented him with the office desk and chair which he has used for so many years with suitably inscribed plates on

Indications Point to Added Changes

Predicted That National Bureau Intends Hereafter to Be a Leader

HARTFORD—There is a pronounced feeling among informed casualty men that aggressive action by the National Bureau of Casualty & Surety Underwriters has only begun with the recent adoption of new private passenger automobile rating classifications, resulting in many sharp reductions, and with sweeping changes in several manuals. More changes, particularly directed toward simplification of rules and forms and a greater flexibility in coverage, are confidently expected in the near future.

Organization to be Leader

Insurance men who do not subscribe to the theory that the bureau companies set out to crush the non-conference carriers by means of a rate war hold to the belief that those in command of the bureau are determined that that organization shall lead and no longer follow. Privately admitting that the automobile developments are but a recognition that the non-bureau carriers were right, and it should have happened several years ago, this school of thought holds that the bureau will not be caught napping again. Innovations, these men expect, will now come from the bureau instead of being forced upon that organization after competing companies have reaped the benefit.

It is not believed that overtures to join or rejoin the bureau will be made immediately or even indirectly to some of the large multiple line companies outside the organization. As one official expressed it: "We cannot expect them to join us just because we impliedly admitted they were right."

May See the Improvement

The hope now is that subsequent aggressive and progressive action by the bureau will convince all or most of these carriers that they will have more to gain within the bureau than without.

One rumor, or speculation, making the rounds at present is that the casualty companies may eventually make automobile liability rates flexible by varying the safe driver reward, perhaps changing it for different classes of assured or for different years during which the policy has been in force; or perhaps adjusting it as loss experience indicates. The latter idea would eventually give the reward a status similar to the dividend on a mutual life insurance policy.

North Carolina's Educational Plans

Some 75 field men of casualty companies operating in the state attended the meeting of the North Carolina Association of Insurance Agents at Greensboro. The chief purpose was to outline and foster an educational program. T. G. Redden of Greensboro presided at the morning session and field men participated in the discussion. D. W. Little of Baltimore, manager of the Hartford Steam Boiler, presided at the afternoon session.

them. Mr. Collins presented Mr. Callender with a large silver platter on behalf of the New York head office. Engraved on it were the facsimile signatures of all the New York department heads.

R. A. Norden, assistant manager of the Chicago office of Aero Underwriters, is on a combined business and vacation trip to New York. He will return to Chicago July 10.

Outlines Setup of Cal. Surplus Line Association

Seeley Tells General Agents How to Make Arrangements Elsewhere

SAN FRANCISCO — Keen interest was taken by members of the American Association of Insurance General Agents at their convention here in the paper by Charles Seeley on the history and functioning of the California Surplus Line Association that controls the California operations of London Lloyds. Mr. Seeley is with the general agency firm of Rathbone, King & Seeley of San Francisco and Los Angeles.

Mr. Seeley said that if a state would recognize and make legitimate arrangements for the placing of such business with non-admitted carriers as is not generally acceptable to admitted carriers, the business will have nothing to fear from Lloyds or other non-admitted carriers as a competitive rate market. When it becomes necessary to resort to bootlegging tactics to provide proper coverage, the state loses the tax, he observed.

Absolute Prohibition Ineffective

An absolute prohibition against doing business with non-admitted companies is not effective, according to Mr. Seeley. He said he has heard there is a larger volume of business placed in London on business located in New York than any other state notwithstanding the fact that New York definitely prohibits placing business with non-admitted carriers. The problem cannot be controlled by sponsoring more and more restrictive and stringent laws, he said.

The feeling that exists in some places against Lloyds, he said, is not so much attributable to deliberate activities on the part of Lloyds to raid business that rightfully belongs to admitted carriers as it is to the misuse of Lloyds facilities and the abuse of the privilege to do business with Lloyds on the part of some of those in the insurance business in this country. The underwriters at Lloyds cannot be sufficiently informed to be able to control the situation from their end unless there is some adequate machinery set up at this end to assist them. Where such machinery has been set up, as in California, according to Mr. Seeley, both the brokers and underwriting organizations at Lloyds have given their fullest cooperation.

Movement Started 3 Years Ago

About three years ago, he recalled, because of the lack of uniformity in the interpretation of the surplus line section of the California law, a movement was started by some of the licensed surplus line brokers to provide ways and means of correcting the situation. The brokers worked in cooperation with S. L. Carpenter, Jr., then insurance commissioner. The first task was to harmonize the differences between the surplus line interests and the admitted carrier interests. The Surplus Line Association formed a committee that held a series of meetings with committees representing the admitted carriers.

A number of agreements were entered into between the two committees. Among the terms were that it shall be permissible to insure the deductible in earthquake insurance with non-admitted carriers; in liability insurance, no excess shall be placed with non-admitted carriers unless the primary carrier consents to such placing or unless the assured

Casualty Speaker at General Agents Meeting



JAMES M. HAINES

There have been very few casualty company speakers before the annual meetings of the American Association of Insurance General Agents. This year at the San Francisco annual meeting this week, J. M. Haines of New York City, United States manager of the London Guarantee & Accident and president of the Association of Casualty & Surety Executives, spoke on "The Casualty & Surety General Agent."

makes written request for it, stating the reasons, with the further provision that certain agreed minimum premiums shall apply for the excess; as respects malpractice insurance and taxicab and jitney risks, a scale of minimum rates was agreed upon satisfactory to most admitted carriers interested in that class of business; certain prohibitions were agreed upon against writing certain classes of risks such as the householders comprehensive policy; as respects fire insurance it was agreed that no insurance would be written on a purely excess basis.

The agreement received the approval of the commissioner and of the Surplus Line Association. Each admitted carrier organization formed a standing contest committee to be available for further discussions when necessary. Few complaints have reached the department because the committees have succeeded in successfully handling matters that have come up.

Rollo Fay, who served the California Casualty & Surety Acquisition Cost Conferences and the Pacific Coast branch of the National Bureau of Casualty & Surety Underwriters, was selected as arbitrator. In California those interested in the surplus line business include brokers, local agents, general agents and company managers holding surplus line licenses. All of those interested now belong to the association and London Lloyds agreed not to accept any California business except through a member of that association. The constitution provides that anyone licensed as a surplus line broker in California may become a member of the association.

At the instance of Commissioner Carpenter several amendments were made in the surplus line law and the Surplus Line Association assisted Mr. Carpenter in drafting rules under that law. The association was authorized to set up a stamping bureau whose function is to handle the filings as required under the rules. The cost of operating the stamping bureau as well as the entire expense of the Surplus Line Association is charged to the assured by the additional fee of one-half of 1 per cent of the premium.

To those in other states who might

Accidental Death Cover Big Problem

Dr. M. C. Wilson Tells Difference in Life and Accident Companies' Ideas

HOT SPRINGS, V.A. — Important differences between the underwriting of double indemnity in life insurance and the death coverage in an accident policy were brought out by Dr. M. C. Wilson, medical director of the Travelers accident department, in an address before the Medical Section of the American Life Convention. He and most companies doing an accident insurance business have had a favorable experience so far as death-only coverage is concerned.

"Accident insurance is largely written on a short term basis," he continued, "and renewals are underwritten according to existing or changing conditions. The double indemnity clause under life policies is non-cancellable to a designated age. At the time of issue the risk fits the coverage but as time passes and the select period is in the background, any disease condition developing becomes a potential claim."

"The medical director must evaluate the composite picture, which includes the physical, environment, financial and moral status and thus attempt to foresee the future. We cannot predict occupational changes, financial depressions and the occurrence of acute illnesses. We can select, so far as our knowledge goes, as to conditions that are more than apt to complicate injury should it arise. Deformities, impairments in vision and deafness are among conditions which reduce the ability of self-protection and thus increase the accident hazard."

Premium rates in accident insurance are primarily based on the occupational exposure or hazard. Whenever there exists a bodily infirmity which decreases the defense ability of self-protection, the accident hazard is increased directly in proportion to the degree or extent of the impairment, he said. He expressed doubt that a proper rate could be devised to cover both physical infirmities and occupational hazard in the same risk.

Overweight a Doubtful Risk

The overweight, for instance, is a doubtful risk owing to the possibility of the development of diabetes, blood pressure and heart disease.

"Our chief problem," he continued, "lies in the deferred hazard of the degenerative disease developing in the latter years of exposure. In more than 90 percent of our complicated death losses, cardio-vascular disease is found to be the chief contributing factor. In the past few years there has been a decided increase in the psycho-neuroses. In many such individuals it is bound to show an increased incidence of suicide."

"To sum up, it is doubtful that any substandard group will show a favorable accident mortality."

The accidental death feature was introduced into life insurance policies about 1904, he said. It has become increasingly popular, and now most companies writing life insurance will incorporate it in their policies for the necessary additional premium.

"In considering death by accident, the problem presented is whether or not the causative agent is one coming within the coverage of the policy contract," he declared.

desire to set up a similar arrangement, Mr. Seeley recommended first, organizing those in the state who now do business with non-admitted carriers; obtain the cooperation of the admitted carrier interests; obtain the cooperation of the insurance commissioner and then advise Lloyds through the law firm of Duncan & Mount of New York and request the cooperation of London Lloyds.

Accident Bureau Meeting Is Being Held in Rye, N. Y.

Prof. W. B. Bailey of the Travelers Talked on Economic Background

By DOROTHY B. PAUL

RYE, N. Y.—Prof. W. B. Bailey, economist of the Travelers, in his talk before the meeting of the Bureau of Personal Accident & Health Underwriters here, took as his subject, "The Economic Background of Accident Insurance." In pioneer days disabling or fatal accidents in industry were extremely rare but with the coming of the application of steam into industry and the introduction of machinery driven by this force accidents became more frequent and severe. A demand arose for some protection for the workmen against the economic effects of accidents. He said that not all machines were fastened to the floor in a factory.

Motive of Fear Inculcated

It became necessary to inculcate in man the motive of fear which had been lulled to rest by the artificial security of the centuries which preceded the modern machine. But no matter how careful workmen became, Professor Bailey said, and no matter how large a part fear played in their lives, accidents happened. When these accidents come one's income from the ordinary occupation ceases, and bills for hospital care, nurses and doctors come with relentless force. Professor Bailey said that it was a matter of prudence for people to set aside a few dollars from the ordinary income to guard against the possible expenditure in some year of 10 times this amount when income has ceased and each dollar is extremely large. People take advantage of the time utility of money to pay dollars out when the utility is not very great that they may get these dollars back when the utility is very great. This, he said, is the real economic justification of accident insurance. The necessity for insurance of this kind increases every year, he added. In days gone by if sickness came or an accident incapacitated the head of the household, the other members could carry on with considerable success. Good neighbors provided whatever other assistance was needed.

Today most people are dependent on their jobs. Therefore, their best way out is through the medium of accident and health insurance.

Lydon Reviews Progress

The history of the bureau since its inception 25 years ago was reviewed by John F. Lydon, Ocean Accident, retiring chairman of the governing committee, in his report at the opening session. He said: "We have a right to feel, in commemorating the silver anniversary of the business through this bureau, it has guided many companies over rough spots and has contributed in no small way to the successful underwriting of the company. It has been instrumental in clarifying policy language, eliminating restrictions, reducing the number of policies and consequently eliminating much confusion that existed in the minds of the insuring public and has done a great deal to stabilize the business and put it on a sound basis."

Mr. Lydon appealed to those companies that have not yet adopted the stand-

(CONTINUED ON PAGE 26)



SNAPPED ENROUTE TO COMMISSIONERS ANNUAL MEETING IN SAN FRANCISCO:

Top row (left to right)—John B. Gontrum, Maryland commissioner; C. F. Hobbs, Kansas commissioner; Superintendent L. H. Pink, New York, and Mrs. Pink; J. V. Barry, New York; T. J. V. Cullen, Spectator, New York.

Bottom—Jess G. Read, Oklahoma commissioner; and glimpses of commissioners' special as it stopped in Royal Gorge in Colorado to view the scenery.

Urges Attention to Health Insurance

NEW YORK—Speaking for the New York insurance department on the Accident and Health Insurance Day program at the New York fair, J. D. Whelan, deputy superintendent, after reviewing the history of accident and health insurance and the magnitude which the business has attained today, urged that greater attention be given to health insurance by the companies as a means of heading off compulsory proposals.

"Until recently accident insurance unquestionably had a greater popular appeal than health insurance," he said, "but the picture has changed somewhat in the past year and now we have throughout the country an increased interest in health insurance. It is true that this interest has been stimulated largely by a movement for compulsory health insurance, but, whatever the reason, the public is at least becoming more conscious of health insurance. People may differ as to the respective merits of voluntary action and compulsory insurance, but I sincerely believe that the great majority of our people prefer independent self-help to dependence upon government aid or compulsion."

Wouldn't Disregard Caution

"But if voluntary action is to play an important role, you cannot afford to lose any time in perfecting and developing your business. You and your companies must be able to show that you have the type of insurance that the public wants and that you are in a better position to furnish it than is a governmental agency."

"I am in no way suggesting that you disregard caution and experience in writing health insurance, because I realize that there have been unfortunate experiences in the past. Two essentials of insurance are stability and progress. You must progress, but at the same time

do not progress at the expense of sound insurance principles. You have done much to stabilize health insurance, so that there is today at least some sound basis of writing that type of insurance and at the same time offering to the policyholder a policy which will appeal to him. You have also accomplished a great deal in bringing about more uniformity in accident policies and your efforts in that regard merit appreciation. No greater service could be performed than to bring about further uniformity."

Give Greatest Possible Coverage

"Give the policyholder the greatest worth-while coverage it is possible for you to give for the premium which he pays. Do not confuse him by including numerous coverages which are of no real benefit and by inserting so many exceptions that he scarcely knows the circumstances under which he may be indemnified."

"The insurance department commends you for the efforts you have made to develop the health and accident business in a way that will not only appeal to the public but will be in their best interest, and if you continue the good work which you have been doing we feel certain that health and accident insurance will make great progress in the 'World of Tomorrow.'"

Cook Observes 25th Anniversary

Harry J. Cook, manager of the Aetna Casualty & Surety bond department at the home office, observed his 25th anniversary as an employee. A native of Parkersburg, W. Va., Mr. Cook was one of the first special agents to be hired by the Aetna Casualty when its fidelity and surety bond department was organized. From 1914 to 1923 he traveled extensively in the interests of these lines and in 1923 was made superintendent of the bond department in Newark. In 1924 he was transferred to his present position at the home office.

Leslie and Lewis Los Angeles Guests

LOS ANGELES—William Leslie, general manager National Bureau of Casualty & Surety Underwriters, was the honor guest at a luncheon tendered him by the Casualty Insurance Association at which 110 were present. Martin Lewis, head of the Tower Rating Bureau, also was a guest. Mr. Leslie told his hosts the present automobile rates and classification were the result of a number of years study of the situation. He explained the methods of making rates and classifications and the reasons for the changes.

Arthur Schulkamp of the Fish & Schulkamp agency, Madison, Wis., was among the out-of-town visitors to New York's insurance district the past week.

Commissioners

Insurance commissioners
Are the devil's inventions.
Why do we let 'em go?

If they wouldn't drink whisky,
And try to act frisky,
No mamma would ever say "No."

But the agents pet 'em
And the pretty girls fret 'em
The camera-man flatters 'em so.

They have a grand time,
Come home with one dime,
What'll hell have they done with the dough?

When they finally come in
With that ridiculous grin
We wonder if it was scotch, rye or gin.

We say "Good night, dear,"
Though we know they can't hear
And damn 'em to hell they'll be there
next year.

—L. K. F.

No Thought of Suit to Upset Decision

WASHINGTON, D. C.—No federal suit charging life companies with violation of the anti-trust laws is contemplated by the Department of Justice.

Commenting upon published reports that suit would be brought against five or more companies, primarily for the purpose of attempting to upset long-time rulings that insurance is not commerce, department officials denied that any such proceeding was under consideration, much less planned.

It was indicated that the department would not care to take any action which might have serious collateral effects on insurance, whose success is based largely upon public confidence in the integrity of the companies and, incidentally, which is large supporter of government bond issues.

Instead, it is believed, the department will leave the correction of abuses in the industry to Congress which, through the temporary national economic committee, has already held two series of hearings on insurance and may hold a third within the next month or six weeks.

It was pointed out that there would be little accomplished through a suit which merely determined the question whether insurance was commerce, and that such an issue would not interfere with government prosecution, inasmuch as a suit is pending against the medical profession, which has never been considered commerce.

Officials said that there was no basis for reports that the department was about to attack the insurance industry at the present time. Whether a suit might be brought in the future would depend, of course, upon future developments.

J. W. Scherr, Jr., agency assistant Inter-Ocean Casualty, Cincinnati, is the father of a baby girl, his second child.

CHANGES IN CASUALTY FIELD

Four Advanced by Fidelity & Casualty

Secretary W. L. Bates, heretofore in charge of the bonding department, has been appointed assistant to Vice-president Hale Anderson, chief underwriting officer of the Fidelity & Casualty. J. C. Brodsky, assistant resident manager of the New York metropolitan office, has been elected secretary and is transferred to the home office bonding department to succeed Mr. Bates.

R. H. Nicholls, assistant resident manager of the metropolitan office, has been made resident manager, to succeed the late H. V. Upington. J. R. Hillas, heretofore Mr. Brodsky's assistant in the metropolitan office, has been placed in charge of the bonding department of that office.

Careers of Those Promoted

Mr. Bates completed 26 years of service with the F. & C. in April of this year. He entered the company's service in 1913 after graduation from Yale and has served continuously since then in the bonding department, except for a period of war service. After some years in the fidelity division, he was appointed office manager in 1923, assistant superintendent in 1925, superintendent in 1932, and was elected secretary in 1934. He has been particularly identified with the development of blanket bonds since the inception of such business in the United States, and is widely recognized as an outstanding authority on that subject.

Brodsky Bond Specialist

Mr. Nicholls has been with the company since 1932, when he was appointed assistant resident manager of the metropolitan office. Before that he was with the compensation rating board for two years and with the United States Fidelity & Guaranty for nine years.

Mr. Brodsky completes 30 years of service in October. He is an attorney, having been admitted to the New York bar in 1912. He has always devoted himself to bonding lines. He lectured to the Insurance Society of New York 1934-37 and in the New York state brokers' qualification course 1937-39.

Mr. Hillas joined the company following his graduation from Cornell University in 1919. After a few years in the home office bonding department he was assigned to the bonding department of the metropolitan office, where he has since served as Mr. Brodsky's chief assistant.

He is the youngest son of R. J. Hillas, for many years prior to his retirement in 1930 president of the Fidelity & Casualty.

Nebraska on Direct Basis

KANSAS CITY—The Bituminous Casualty has placed Nebraska on a direct company basis. J. Elliott Flannery, manager claims department at Omaha, is being transferred to Kansas City as claim manager for the Kansas City branch, which now will have supervision over western Missouri, Kansas and Nebraska. Robert A. Braddock is branch manager.

J. P. Stillman, whom Flannery replaces as claims man here, is being transferred to Charlotte, N. C., in the same capacity. The Bituminous is opening a new branch office at Charlotte. Nebraska formerly was handled on a general agency basis.

Hastings Goes to Pittsburgh

J. N. Hastings, who for some time has traveled Westchester and Rockland counties, N. Y., for the Glens Falls Indemnity, has been transferred to the Pittsburgh office, 1226-30 Grant building, as special representative and supervising underwriter. He gained his initial un-

derwriting experience at the home office, later serving in the Newark territory and again in the suburban New York field.

Gets Aetna Casualty in Chicago

Youngberg-Carlson Co. of Chicago has been appointed general agent of the Aetna Casualty. This office is one of the largest agencies appointed by Aetna Casualty in recent years.

Grant to Maryland Casualty

PITTSBURGH—John Grant, for many years associated with the Tener-Lowry Company, has joined the Pittsburgh office of the Maryland Casualty as special agent. He succeeds W. E. Beckwith, who went to the Standard Accident as field supervisor in western Pennsylvania.

Travelers Changes Announced

W. H. Atkins, assistant manager of the Travelers Hartford branch, has been transferred to Richmond, Va. To fill the vacancy created by Mr. Atkins' transfer, the company has moved L. F. Crossley to Hartford. He was formerly assistant manager at Worcester, Mass.

Freeman Heads New Office

The Maryland Casualty will open a branch office in San Antonio, July 20, with B. H. Freeman as resident manager. He has been with the Maryland in development of business in Texas for 11 years.

The Continental Casualty has opened a claims office in Erie, Pa., under the supervision of the Pittsburgh office. O. P. Curry, adjuster with the Pittsburgh office for five years, for the last year stationed at Franklin, Pa., will be in charge.

PERSONALS

Raymund Daniel of Atlanta, executive secretary of the Industrial Insurers Conference, was called to Quitman, Ga., owing to the death of his brother, Royal Daniel.

J. F. Matthai, vice-president United States Fidelity & Guaranty, has been appointed by Governor O'Conor of Maryland as a member of a commission to study "practices and conditions" affecting the state industrial accident commission.

Harry Barsantee, supervisor of the news bureau of the Travelers, was picked by the United States junior chamber of commerce to be paired with Senator Bankhead of Alabama in the "Safety with Light" broadcast over the NBC network. During the program, which emanated from Station WRC of Washington, D. C., Senator Bankhead and Mr. Barsantee announced the cities that had won the "Safety with Light" awards presented by the junior chamber.

Boyce D. Kitchings of the accounting department of the Provident Life & Accident has been elected president of the Tennessee Reserve Officers Association.

L. L. Bebout, resident vice-president of the U. S. F. & G. in Kansas City for six years, and prior to that for 11 years branch manager, retires July 1. His retirement will not change the present setup in Kansas City. W. F. Moffatt will continue as branch manager. Mr. Bebout has had a long and successful career in insurance. Entering the business in 1889 at Paducah, Ky., he operated a local agency successfully for 20 years. In 1909 he sold out and joined the U. S. F. & G. in Cleveland as special agent. When the Memphis branch office was opened in 1911, Mr. Bebout went there as assistant branch manager. He later became joint manager. In 1914 he went to New Orleans as manager of

When fire destroys Accounts Receivable Records . . .

the business firm involved finds itself in a serious predicament. That's why business men will welcome information about the Accounts Receivable Policy, pioneered by Indemnity Insurance Company of North America and especially designed to afford business houses protection against this recognized hazard. It's profitable to the Agent in two ways . . . building premium income and obtaining new clients to whom other forms can be sold.

CAPITAL \$2,500,000

**CASUALTY
FIDELITY
SURETY**



**Indemnity Insurance Company
of North America**

PHILADELPHIA

We are anxious to assist the Agent or Broker in securing adequate coverage for unusual propositions.

the gulf department, which included Texas and Louisiana and in 1922 he became Kansas City branch manager.

Mr. Bebout has served two terms as president of the Casualty & Surety Association, and is widely known among insurance men throughout the middle west. Employees of the office and other friends will give him a "going away" dinner before he leaves for Canada, Alaska and the Pacific Coast on a well earned vacation.

Rollin M. Clark, comptroller of Continental Casualty, and Mrs. Clark are taking a vacation trip to Alaska after having attended the convention of the National Association of Insurance Commissioners in San Francisco.

N. C. Nelson, Maccabees, was elected secretary of the Detroit chapter of the National Office Management Association at its annual meeting. **C. F. Fleckenstein**, Standard Accident, was named a director.

Thomas O. Moss, 45, Richmond, Va., lawyer, who specialized in insurance practice, died suddenly of a heart attack in his office. He was counsel of the American Fidelity & Casualty and represented several other Richmond insurance firms in legal matters.

President **L. E. Zacher** of the Travelers had the degree of master of arts conferred upon him at Trinity College of Hartford.

Miss Constance Anderson, daughter of **Hale Anderson**, vice-president of the Fidelity & Casualty, was married to F. C. St. John at Essex Falls, N. J., Saturday. The bride is a graduate of Bennington College, and the groom an alumnus of Princeton University.

Mr. and Mrs. **Elmer H. Dearth** of St. Paul observed their golden wedding anniversary this week. Mr. Dearth is a former Minnesota commissioner and later was president of the General Casualty of Detroit. He is a member of the Casualty Actuarial Society.

"Little Oscar," golf tournament cup presented by R. E. McGinnis, president Central Surety, was won at the annual outing of Central employees by G. T. Smothers, secretary.

President **E. Asbury Davis** of the United States Fidelity & Guaranty visited Seattle, Portland, San Francisco and Los Angeles.

H. A. Behrens, chairman of the board Continental Casualty and president Continental Assurance of Chicago, left this week for his home on Belvidere Island in San Francisco Bay where he will spend the summer. He will not return to his office in Chicago until the middle of September.

John Pabst, mid-western manager Fireman's Fund Indemnity, Chicago, has just returned from a business trip of 10 days in the east. While in New York he attended the fair. His reaction was that insurance missed a bet by not putting on an exhibit similar to that of General Motors, dramatizing the service of insurance as an institution. Several companies have individual exhibits, but Mr. Pabst commented if all had gone in together a much more pretentious fair building could have been built. Other businesses have large, interesting institutional exhibits.

Pennsylvania Claim Men to Meet

PITTSBURGH — The Pennsylvania State Claim Association will hold its annual convention July 14-15 at Bedford Springs, Pa.

Speakers so far lined up will include S. E. Whiting, vice-president and chief engineer, Liberty Mutual; Dr. A. M. Arnsteen, Philadelphia neurologist; James Gheen, New York humorist, and a representative of the Pittsburgh office of the Federal Bureau of Investigation. There will be a golf tournament.

T. S. McMurray, Jr., Indiana insurance commissioner from 1922 to 1927, who later conducted a special insurance service bureau, has been elected executive vice-president of the State Automobile of Indianapolis, a reciprocal.

WORKMEN'S COMPENSATION

Payroll Audit Book Is Now Completed

The National Bureau of Casualty & Surety Underwriters is distributing the final series of sections, a number of revised pages and a detailed index for the "Payroll Audit Reference Book," prepared by its payroll audit committee. This distribution completes the book and from now on there will be only revisions as conditions indicate.

The new sections cover the following subjects: Average weekly wages; numerical requirements in compensation acts; and restricted coverage states—workmen's compensation and employers' liability. The other sections, previously distributed, cover the following subjects: Automobile policies; board and lodging or both; bonuses, etc.; cancellation tables; considerations—lieu of wages; effective dates of compensation acts; employees receiving no wages; executive officers' rules; extra-territoriality provisions; loss and expense constants; maritime employments; newsboys, carriers and agents; owners, contractors and sub-contractors; payroll to contract price; rating authorities—compensation and employers' liability; religious orders and churches; rulings and interpretations (National Council on Compensation Insurance); rulings and interpretations (New York Compensation Rating Board); and salesmen, commission—outside.

Pennsylvania Compensation Revision Bills Are Signed

HARRISBURG, PA.—Revision of Pennsylvania's workmen's compensation act was effected when Governor James signed the bills extending the time of payments in total disability cases and increasing maximum payments from \$6,500 to \$7,500 for total disability. Other payments were substantially reduced and Representative Wilson, sponsor of the bills, said compensation costs to employers would be reduced from 10 to 20 percent.

The compensation act of 1937, because of its high cost, was rejected by more than 1,000 employers, mostly coal mine operators, who preferred to settle claims on a common law basis.

Cut Minimum Payments

The \$18 weekly maximum payment established in 1937 is retained, but minimum payments are cut from \$12 to \$9, except for persons earning less than \$9 weekly, where a \$5 minimum is established.

Benefits based on earnings during the 13 highest income weeks during the year preceding the accident are allowed by the bill.

A new occupational disease act, to become effective Oct. 1, was also signed by the governor. It sets up a \$100,000 fund for which the state will pay half the costs of benefits the first two years. The employers' share will increase by 10 percent stages each succeeding two years until they bear the full cost in 1949. The bill repeals the present occupational disease system.

Other bills allow benefits to qualified volunteer firemen and exclude domestic and agricultural help except on a voluntary basis.

Arkansas Petition Found O. K.

LITTLE ROCK, ARK.—With reports of three counties still to be tabulated, Comptroller Goff has found only 1,290 signatures of non-qualified electors on petitions asking a referendum on the workmen's compensation act passed by the 1939 legislature. Thus it seems certain that proponents of the measure will not make an attack from this angle and will depend upon a taxpayer's suit now pending in the Arkansas supreme

court for decision before July 10, the date its summer vacation will begin. The legal requirement is for 8,422 signatures of qualified electors and the total of signers was 13,000. Mr. Goff's examination was made in 32 counties in which referendum petitions were circulated.

Tighten Up on Compensation

Governor Olson of California has signed the bill making it a misdemeanor for an employer to fail to procure workmen's compensation insurance, with a minimum fine of \$100 imposed if convicted. Thirty days leeway is provided before the penalty is imposed.

The bill also makes a claim for workmen's compensation a preferred debt against the insurer as well as the employer.

Wants Assessment Annulled

Corporation Counsel Chanler, on behalf of the city of New York, filed suit in the supreme court seeking to have declared null and void an assessment of \$3,780 levied against the city, as a self-insurer in workmen's compensation cases that had been marked closed for seven years, but which are to be reopened.

Texas Investigation July 15-20

AUSTIN, TEX.—The Texas legislative committee appointed to investigate the administration of workmen's compensation insurance probably will meet in Dallas between July 15-20 to outline its work. Dr. R. G. Piner, Jr., of Greenville, was elected chairman at the preliminary meeting. A bill was passed providing medical aid under the workmen's compensation law.

Inquiries May Not Materialize

LANSING, MICH.—Despite the passage of two legislative resolutions providing for inquiry into compensation

Made National A. & H. Association President



W. B. CORNETT

W. B. Cornett, Loyal Protective Life, Columbus, O., was elected president of the National Accident & Health Association at its annual meeting in New York.

insurance with emphasis on special insurance plans for reducing the net cost to employers, it appears that the investigations will be slow to get under way, if at all. Legislative committees may not function legally between sessions unless named by the governor under a special act. Governor Dickinson has shown no signs of complying with the resolutions as he is said to dislike special study commissions. Regardless of the decision in this regard, the senate committee does not plan to start its work until fall.

ACCIDENT AND HEALTH

Whelehan Explains N. Y. Medical Indemnity Setup

NEW YORK—J. D. Whelehan, deputy superintendent of insurance, speaking over Station WNYC, said the new medical indemnity corporations authorized by the recently enacted insurance code will be non-profit corporations licensed by the insurance department.

"Perhaps the most important feature," he said, "is that the subscriber will be allowed to select his own physician, so that the personal relationship between the doctor and the patient will be preserved. They will provide their subscribers with insurance covering doctor bills, just as the hospital associations provide insurance against hospital expense. An individual, by paying \$1 or \$2 per month, will become entitled to a credit of perhaps \$150-\$300 per year for his doctor bills."

Reviews Coverage Generally

He spoke of hospitalization insurance, covering both the mutual non-profit hospitalization plans and the hospitalization policies issued by regular insurance companies, and also touched on the general subject of health and accident insurance. Stating that there are approximately 15,000,000 people in the United States now insured under personal accident and health policies, not including life policies with disability benefits, nor the various employee benefit associations, he added: "You must realize that there are many types of health and accident policies and that they vary materially in the coverage given. Consequently, you should read your policies and ascertain the circumstances under which you will be entitled to indemnity in case of accident or ill health. If you are unable

to understand any of the provisions of your policy, and you desire to do so, communicate with our information bureau, and we shall be glad to help you."

Boston Hospital Group Not to Close, Director Says

BOSTON—Charges that the Blue Cross, as the Associated Hospital Service is better known in Boston, is in debt to member hospitals were denied by Executive Director R. F. Cahalane, who said the organization had passed the 200,000 membership mark and is not going to cease operations.

"On behalf of our board of directors and the member hospitals, I wish to assure subscribers and the general public that we are not going to close," he said. "The hospitals are cooperating to make this community service a safe and sound investment by guaranteeing benefits to subscribers, regardless of the amount paid for service by the Blue Cross."

"On May 1 full payment to hospitals was resumed, after a 20 percent reduction for two months, March and April. The reduction was necessary because of an abnormal demand for hospital care during an epidemic of upper respiratory infections."

"There is evidence that certain groups have resorted to abuse of membership. That is, they have made demands for hospital care for conditions known to require treatment prior to the date of membership. We are taking definite steps to eliminate this abuse."

A. M. A. Publishes Two Booklets

Two booklets, "Organized Payments for Medical Services," and "Factual Data on Medical Economics," have just

been published by the American Medical Association. The first book dwells chiefly on the practical work of state and county societies, explaining plans for medical care of the indigent, government support and medical society management. The second is a statistical collection of facts on many phases of demography.

Cincinnati Outing Held

CINCINNATI.—Over 100 attended the first annual outing of the Cincinnati Accident & Health Association. H. R. Whiteside, Earls-Blain Co., won the golf trophy. Champion horse shoe pitcher was G. F. Kirkwood, Jr., of the same agency. The single men defeated the married men in the soft ball game 3-2. Bridge prizes were won by Mrs. W. A. Case and Mrs. Frank Lewis.

Lynch Named Philadelphia Head

PHILADELPHIA—The Accident & Health Club of Philadelphia has elected the following officers: President, E. J. Lynch, General Accident; vice-president, A. L. O. Rasch, Massachusetts Bonding; secretary, J. C. Station, Employers, and treasurer, J. W. Sassman, London Guarantee. The annual outing was held near Mount Holly, N. J. Sports and water events, together with a dinner, comprised the activities.

L. B. Leigh & Co., Provident Life & Accident general agents in Little Rock, Ark., have appointed E. J. McMullin special agent, to devote his entire time to developing accident and health business in Arkansas.

The National Accident & Health of Philadelphia has been admitted to Virginia.

COMPANIES

New Idaho Company Is Now Operating

The Idaho Compensation Company, of which Ralph S. Nelson is president, is located at Coeur D'Alene, Idaho, with a branch office in the McCarty building at Boise. It has \$100,000 capital and \$25,000 surplus and will write workers' compensation, occupational disease and employers liability. Mr. Nelson has been writing compensation insurance in Idaho for 20 years. The Idaho Compensation Company started writing business May 3 and as the contracts of the Northwest Indemnity Exchange expire these risks will be taken over by the former company. Spencer Nelson is claim manager and Ralph Nelson has charge of production and underwriting. C. W. Leaf is in charge of the Boise office. The Idaho Compensation Company is a stock participating company. Spencer and Ralph Nelson are sons of the president. Spencer is a graduate of Leland Stanford and the Idaho Law School and Ralph is a graduate of Idaho University.

Receiver Named for Mutual

DENVER—District Judge Lindsley, at the request of Commissioner Kavanaugh, named J. D. Blevins receiver for the International Mutual Liability. The company had been ordered to suspend operations Aug. 19, 1938. Since that time the company was found to be insolvent. A legislative investigating committee reported assets were \$22,000 and its liabilities \$55,000.

The Emmco Casualty, South Bend, Ind., will begin writing insurance within a week, following its licensing by the Indiana department.

The Commercial Lloyds of Houston has been licensed to write full coverage automobile insurance and fidelity and surety bonds. Total admitted assets at the time of organization are \$80,000.

Underwriters include: J. L. Deutsch, Mike May, Jack Marks, Leon Markowitz, Everett Zook, Martin Spielberg, Abe Albert, Kenneth S. Fisher, Leon Radinsky and F. H. Albert.

The United States Fidelity & Guaranty declared a quarterly dividend of 25 cents a share, payable July 15 to holders of record June 30.

Reviews Casualty Manual Changes

Recent changes in casualty manuals were reviewed by J. R. Barrett, agency supervisor Fidelity & Casualty, before the Detroit Insurance Women's League. In charge of the meeting were Ethel I. Fox and Vera Beck.

Oklahoma Board Revokes Its Order

The National Bureau of Casualty & Surety Underwriters informed its members that it would not be necessary to appeal from the Oklahoma State Insurance Board's orders of May 15 and May 27 directing the bureau to file manual Rule 13A—private passenger automobile rating plan, for immediate use in Oklahoma.

The National Bureau's notice followed word from Oklahoma that the state insurance board had issued an order re-

voking the previous orders. In taking this action the board preserved the orderly procedure for the determination of automobile liability rates which has been followed in Oklahoma for several years.

The tabulation of the latest Oklahoma automobile experience has been speeded up and will be completed at an early date. Following this the bureau will file with the board a revised automobile liability rate program based on the latest Oklahoma experience. The new rating program will be ready for filing in July.

Accident and health salesmen know the contracts of competitors when they have the **Time Saver**. Order now through the National Underwriter Company.

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FIDELITY AND SURETY

Chicago Contract Opened for Bids

Bids will be opened by the commissioner of subways and traction in Chicago this week for the construction of the State street subway, designated as Contract S-3, calling for the construction of approximately 4,050 linear feet of section station; approximately 4,220 linear feet of single tube section and approximately 290 linear feet of special twin tube section, together with miscellaneous work. Time for the completion of the entire work has been fixed at 330 consecutive days. A performance bond, which will also guarantee payment of labor and material, will be required for at least 50 percent of the contract price, which is estimated at about \$2,500,000. Rates for the bond advised by the Tower Rating Bureau are:

Amount of Contract Price	Unit Rate per M. for term	Unit Production Cost
First \$2,500,000	\$12.00	17½ %
Next 2,500,000	11.50	15 %
Next 2,500,000	11.00	12½ %
Over 7,500,000	10.00	5 %

To protect the city against the expense of necessary repairs or replacements to damaged pavements, sidewalks, curbs or other work or structures, the contractor must also furnish a maintenance bond to the city of \$50,000, which will remain in force for five years after completion of the work. The annual premium on such bond has been fixed at \$375, with an optional term premium of \$1,500.

Enforce Sign Bond Requirements

KANSAS CITY, KAN.—A check-up by city authorities revealed that bonds protecting the city against liability on

overhead signs were insufficient. The city code provides that companies erecting the signs must post \$5,000 bond during erection. If the sign company retains jurisdiction of the sign, it must post \$10,000 bond, following erection. If the sign becomes the property of the business firm, the firm must post \$5,000 bond. The city authorities now are enforcing the code with respect to the bonds.

Want Customers Protected

Surety Officials Working on Bond Form to Apply to Brokerage and Financial Houses

NEW YORK—Attention is still being given to the possibility of some form of bonding protection for customers of brokerage houses. Following the Whitney scandal early in 1938, there were various proposals and the matter commanded considerable newspaper space for a while and then died down with nothing apparently done. However, surety committees are still conferring with brokers' representatives and some plan may be worked out, though probably not in the immediate future.

The most likely development, in the opinion of some observers, is incorporation of stock exchange firms and bonding of their officers. Proposals for a central place of deposit of customers' securities and for guaranteeing of firms by each other do not appear to have many supporters at present.

General Casualty Quits Tower Bureau

General Casualty of Seattle has given notice of intention to resign from the Tower Rating Bureau and has filed contract bond rate deviations in the state of Washington. Its filing there calls for a rate of ¾ percent on paving construction instead of the Tower rate of 1 percent and a rate of 1 percent on other construction as compared with the Tower rate of 1½ percent. That move is causing intense excitement among surety men in Washington and throughout the coast territory.

The General Casualty resignation becomes effective July 1. Efforts are still being made to get the management to reconsider, possibly by offering to give General Casualty a greater share of reinsurance. President H. R. Dent went to San Francisco the other day for a conference with surety leaders there.

The attitude of United Pacific Casualty of Seattle is being watched with interest. Some fear that if General Casualty goes out of the bureau United Pacific, which is even more of a factor in the surety business in the state, may do likewise.

Michigan Suspension Bill Signed

LANSING, MICH.—Governor Dickinson has signed the bill continuing the suspension of depository bond requirements for public funds in Michigan banks. It terminates July 1, 1941.

Require Insurance on Itinerants

DES MOINES—The new itinerant merchants law requires all such merchants operating motor vehicles without an established place of business to secure a license and to post a \$250 bond and \$10,000 liability and \$1,000 property damage insurance.

An opinion that Sheriff J. Hunter Matthews, Louisville, Ky., will be within his rights in posting a \$100,000 bond covering collections of state taxes, instead of the \$1,500,000 demanded by the county judge, was given by Circuit Judge Hancock there.

Field of General Agent Outlined

(CONTINUED FROM PAGE 17)

matter, of a company president. His business comprises many units, made up of, first, individual risks, and, second, the aggregate production of many individual producers. The way to show a profit, when it is all added up, is by watching not only the underwriting of each individual risk, but also by selecting and underwriting with equal care the producers who bring in the business.

"A general agent also must honestly serve all of the companies he represents. A salaried branch manager is not permitted to keep a cut-rate or mutual company hidden under the counter to placate some producer who has lost the competitive spirit or cares so little about the public good that he does not bother to show a prospect the better and more economical type of insurance. Neither does a general agent have that right. No man can be all things to all people. Neither can the general agent be two-priced. Let him be one thing or the other; let him keep his wares out on the counter where all may see them, and while he may lose an occasional account to the opposition he will command the volume of both business and respect in his territory.

Must Be Faithful to His Company

"The general agent, similarly, must be strictly faithful to each company he represents, in the light of the line of business that is before him. For instance, he should not pay excess commissions to a producer on some casualty or surety business as a means of luring into his office a desirable volume of fire business; the company as well as the general agency must show a profit in order to survive. A real general agent must equip himself to provide the service that the insured and the producer have a right to expect; that fact cannot be reiterated too frequently, because service and assured protection are the keystone and the capstone of capital stock superiority.

"Finally, there is the question of the general agent's limitation, that is, whether he should or should not solicit business over the heads of his producers, probably the most difficult of all the problems here before us. To my mind it is difficult only because we got off the track a long time ago and never bothered to get back again. I think you may agree with me that if the general agent is all of the things I mentioned and does all of the things I have outlined, he has a full-time job without taking on personal solicitation. So this problem seems capable of proper solution."

Mr. Haines pointed out that the life general agent and the fire general agent had their status determined by specific rules and standards many years ago. But the status of the casualty and surety general agent is known only vaguely because no such rules and standards have been established for him, although the casualty and surety business has grown to equal importance with the fire business, and almost equal to the life business.

Time May Alter Status

"Therein we might find one reason for some of our problems," he added. "The fire and the life fields have had many decades of longer experience than the casualty and surety business. Let us not forget that they, too, encountered problems as they came of age, and out of the experience of maturity alone solved many of those vexing questions. Comparatively speaking we are a young man who has made very good very quickly. But we are a virile, strong, intelligent young fellow; what mistakes we may have made we are intelligent enough to correct justly and sensibly."

While readily admitting that many problems will be encountered in defining

the status of casualty and surety general agents, Mr. Haines said he nevertheless believed the job was worth doing. He recalled Fred L. Gray and C. H. Hood of Minneapolis, George D. Webb, Wade Fetzer and George A. Gilbert of Chicago, W. G. Wilson of Ohio, J. W. Henry of Pittsburgh, Thomas Daly of Denver, and Edward Landis of the Pacific Coast as examples of general agents who contributed much to the development of the casualty and surety business.

Need for High Grade Men

"There is still need in this country for their kind of general agent," Mr. Haines said. "If any one doubts that statement, let them look around and observe particularly the movement that is afoot to eliminate the middle man from America's economy and establish in his place the communistic direct-selling consumer cooperative—a concept that had its start in this country in the insurance business and is now moving on to devour every line of business under our flag and completely destroy the American principle of private enterprise under free competition."

"The so-called 'advanced thinkers'—which is mere camouflage for dreamy theorizing—tell us that if the middle man is eliminated the cost of goods and service to the consumer will be reduced. Of course, the absent-minded professors who manufacture such theories out of the stuff clouds are made of either forget or refuse to see that this same principle has reduced to bankruptcy—financially, socially and intellectually—other countries where it has been attempted on a scale proposed in America."

"A well-informed, intelligent producer earns every dollar of commission he receives; so does a properly equipped general agency. I am more firmly convinced than ever that when a policyholder sacrifices the services of an experienced producer by placing his business with a non-agency mutual, that policyholder is destined to lose—in dollars and cents as well as protection—more than any so-called saving that is made through so-called dividends. I am equally convinced that a producer who sacrifices the services of a competent general agent sacrifices something more valuable than any saving he may think he is making."

Association Names Cornett President

(CONTINUED FROM PAGE 17)

ists, special efforts are to be made in Dallas, Boston, Newark, Akron, Youngstown, Omaha, Peoria, Grand Rapids and Kansas City, where men are already interested in forming local associations.

These expansion activities in each new center will be built about a dyed-in-the-wool accident man as the central figure, as a general casualty man does not have the same aggressive interest. The executive committee decided also that members shall be given each year certificates suitable for framing in addition to the present membership cards. The aim is to stimulate interest in the association's work.

To Form Speakers Corps

As part of the promotion work it is planned to divide the country into five sections, each with a corps of speakers headed by an outstanding personality. The speakers will be available to make talks at local club meetings. The executive committee also continued the public relations committee which is composed of four Chicagoans: First Vice-president Ferguson, chairman; R. W. Watt, Pacific Mutual; C. T. Redfield, Mutual Benefit Health and Accident; and Harold Gordon, secretary Health and Accident Underwriters Conference.

The monthly bulletin will be revamped with the ultimate aim of making it a semi-monthly.

This year's meeting was unique in

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that the local association acting as host is not a member of the national association although a number of the New York club's members belong individually to the national body. Another unique feature was Accident & Health Day at the New York fair. As is usually the case, the host association put on a sales congress. Also, the New York club held over its annual producers' banquet to coincide with the national meeting.

Sales Congress Speakers

At the sales congress, R. F. Sheehan, Mutual Benefit Health & Accident, Newark, told of his method of securing permission to solicit employees in a mill or factory. He approaches the employer as though he were attempting to sell him an accident and health contract, but as soon as he offers objections in one form or another, Mr. Sheehan says he did not call for the opportunity of presenting his policy personally and then goes on to explain the real purpose of his visit. He also outlined the talk he gives to the men after this permission has been obtained.

He also commented on the possibility of making contacts through luncheon engagements, and following up reports of accidents in the daily papers. For example, if the paper states that John Smith has been seriously injured at the Jones industrial garage, Mr. Sheehan visits the garage and asks the foreman for Mr. Smith. He is of course told of Smith's accident and that provides a perfect setup for solicitation.

Ivey on Agency Building

Speaking on "Agency Building," W. H. Ivey, general agent Monarch Life and president of the Pittsburgh Accident & Health Club, emphasized that the successful general agent must be a salesman himself.

"It can be truthfully said that all good salesmen will not make successful general agents," he said, "but I don't believe that any worth while agency has ever been built up by a man who was not a salesman himself. The general agent must be able to do everything he asks or expects any other member of his agency to do, and he must also be able to do it better, or he will not command the respect of the men who work in his agency with him."

He believes in bringing in two or three of his best men to help conduct a sales school. "I find that men like to help one another if given an opportunity to do so, and the man who is helping you teach will learn more and get more out of the school than the new man," he said.

Mr. Ivey regards men between 25 and 35 as the best agency material and prefers men from other lines of endeavor rather than ex-insurance men.

Figures on Average Income

Edward King, secretary Hooper-Holmes Bureau, gave some interesting figures, derived from inspection reports of his organization, on average income, which is a question of great importance to accident and health men in determining the amount of indemnity that can be written. The information along this line derived from accident and health reports was tabulated as follows:

Occupation	Aver. Inc.	% Years	Time in	
				Having Present Unearned Con-
Executive and Professional ..	\$440	17.53	10.65	
Sales	247	5.13	6.59	
Clerical	205	14.29	10.43	
Trades	157	None	5.22	
Labor	113	6.67	4.67	
Total Average.	\$349	13.06	9.12	

From life insurance reports, a more detailed analysis was made, showing average income as follows:

MALE RISKS

Executive and professional occupations: Central and middle west, \$2,880; New England and middle Atlantic, \$5,380; southeast, \$2,156; west and southwest, \$2,774; Canada, \$3,440.

Skilled trades (for same territories), \$1,397, \$1,559, \$1,063, \$1,379, \$1,216.

Clerical occupations, \$1,438, \$1,805, \$1,292, \$1,352, \$1,370.

FEMALE RISKS

Executive and professional, \$1,265, \$2,007, \$1,030, \$1,525, \$2,467.

Skilled trades, \$855, \$1,016, \$840, \$770, \$1,025.

Clerical occupations, \$1,013, \$1,151, \$917, \$1,027, \$767.

Speakers at the banquet were H. S. Landers, president Commercial Casualty and Metropolitan Casualty; and T. M. Townsend, president New York State Medical Society. Mr. Landers declared emphatically that private business is here to stay and that Americans are not ready to surrender their constitutional rights to any of the "isms," whether fascism or communism. Dr. Townsend declared that under government control it would be impossible for doctors to deliver the quality of medical care they are giving today.

Form National Committee to Study O. D. Question

(CONTINUED FROM PAGE 17)

jection of risks that are offered. This is a problem of national importance and concerns not only insurance men, but labor and employers, the state and medical men. Cooperation of all is essential in order to secure unanimity of purpose and action, uniformity of state laws and concerted attack on the hazard and methods of treatment.

Seen as Obligation of Society

"The occupational disease hazard, like that of injury in industry in the years past before workmen's compensation laws, has been treated almost as a necessary evil. The time has come to recognize that this hazard if properly studied can be eliminated or greatly minimized and we owe it to the workers in our industries to do so."

For some reason, many employers, especially those who are self-insured, seem to be less interested than other interests in attacking this problem with a united front. Labor interests, however, are keenly interested, since they see in this work promise of improving working conditions and saving many lives and much ill health.

The Illinois division of industrial hygiene, under Dr. Kronenberg, was set up especially to make a thorough study of occupational diseases. The clinic is rendering diagnostic service to the medical profession, industry, labor and other interested agencies. When the clinic building is completed workmen suffering from occupational disease will be admitted for study and treatment, all results being carefully recorded.

Few States Properly Equipped

Only comparatively few states have statutes scheduling various occupational diseases against which employers must protect their workers. Among these are New York, Pennsylvania and Michigan. In most of the states occupational disease falls under the employers liability act. Texas does not recognize occupational disease at all, but this falls under the common law there, Mr. Anderson said. In Arkansas the proposed act was held up due to the opposition of mining interests and occupational disease falls under the common law.

Survey of O. D. Acts

A chart prepared early this year by the U. S. department of labor, division of labor standards, shows occupational diseases are excluded in Alabama, Arizona, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Louisiana, Maine, Montana, Nevada, New Hampshire, New Mexico, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, Wyoming and the territory of Alaska, in addition to Arkansas and Mississippi, which have no workmen's compensation statutes. All-inclusive or general cover-

age is given in California, Connecticut, District of Columbia, Illinois, Indiana, Massachusetts, Missouri (an elective provision), New York, North Dakota, Wisconsin, Philippine Islands, Hawaii, and under U. S. civil service and the federal longshoremen's and harbor workers' act. New York, besides a schedule, has general coverage provision for all other occupational diseases not listed.

All states having schedules except North Carolina and New Jersey, have a list of the descriptions of processes in which the disease must occur to be compensable. There are 21 states which compensate for one or more occupational diseases: California, Connecticut, Illinois, Kentucky, Massachusetts, Minnesota, Nebraska, Missouri, New Jersey, New York, North Carolina, North Dakota, Ohio, Wisconsin, West Virginia, Delaware, Michigan, Pennsylvania, Rhode Island, Washington and Indiana.

There has been attempt in some jurisdictions, especially on behalf of employers, to limit their liability for occupational disease contracted in industries to those having a certain minimum dust content of the air. According to Mr. Anderson, there should be no such limitation, as regardless of the quantity of dust inhaled, certain employees may be particularly subject to contracting occupational disease, and when they become

infected, due to this cause, they are entitled to medical treatment.

The American Medical Association recently formed a council of industrial health, which is accumulating data on occupational disease to incorporate in the curriculum of medical universities.

The new committee will operate without appropriation, clearing through the Illinois Brokers Association office in the Insurance Exchange, Chicago. Organizations having representation on the committee will conduct their own occupational disease studies, reporting to the committee so data can be collated. It is the hope to publish results of the study from time to time.

Governing Committee Ratified

BOSTON—Appointments of Employers Liability, Royal Indemnity, Travelers, American Mutual, Liberty Mutual and Lumbermen's Mutual, on the governing committee of the Massachusetts Rating & Inspection Bureau have been ratified by Commissioner F. J. Harrington.

General Manager W. N. Magoun has been appointed for another year.

K. G. Ellsworth, Des Moines manager Aetna Casualty, has been elected director of the United Federal Savings & Loan Association.

MAKING HAY WHILE THE SUN SHINES

A true saying, when applied to Ohio Casualty agents.

For now, during the summer "lull" is when the agents who fly the Ohio Casualty banner find sure profits in such coverages as Residence Burglary and Robbery (vacations mean empty homes, you know), Golfers' Liability and Property Damage (those hooks and slices!) and School Bus Insurance (school bus business bells are ringing again).

In fact, there are a number of volume-building lines that merit attention to a happy end. Ohio Casualty has them and if you would like more details, write today and your inquiry will receive prompt attention.

THE OHIO CASUALTY INSURANCE CO.

HOME OFFICE

HAMILTON, OHIO

General Agents Opposed to Company Pools

(CONTINUED FROM PAGE 11)

sidelines, he said that sufficient experience has not been accumulated so far to set up standard practices in all of them but by the extension of their business into new fields of insurance these companies have been able to obtain a healthy growth without undue disturbance of fire insurance practices.

Local Agents and General Agents

In this country there are two peculiarly American insurance institutions, the local agents and the general agents. They have done much to develop and build the business. The general agent has pioneered in developing business in widely scattered territory. A sharp distinction, Mr. Dargan declared, must be made between legitimate general agents and the so-called dummy ones appointed by some companies for the purpose of getting by subterfuge and indirection, business which these same institutions may not properly or directly obtain without violating their own rules of practice.

There is a point below which rates cannot go, Mr. Dargan added. There is also a point above which expenses must not go. Disturbance of the business as a whole is sure to bring damage to all those engaged in it. Students of insurance, he said, admit that the best results are obtained from uniform methods. Premium rates should be uniformly applied to all similar risks. Uniformity in all elements entering into the collection of premiums and payment of losses is essential. Some progressive experimenting is necessary, especially in the newer branches of the business including casualty, surety and inland marine. It is well to remember, however, he said, that insurance is not a commodity like oil or cotton which can be bought or sold by the gallon or the pound. It is an intangible thing, depending on contracts which have good faith for their basis.

Men of High Ability

Mr. Dargan said there is no field of human endeavor today having for its executive heads men of greater ability and character than those engaged in insurance. The most powerful group, however, in insurance is comprised of the agents. If, through their organizations, agents can so regulate these threatening competitive elements so as to bring them under control, it will be the biggest accomplishment they can hope for, Mr. Dargan said, and it will do more to stabilize their own business than anything else.

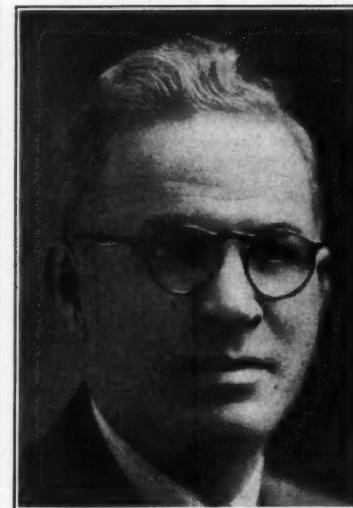
Mr. Dargan said a legitimate supervisory general agency handling a number of companies presents the very best example of uniform methods. A general agency organization must pursue the same general policy for all its component parts.

Mr. Dargan spoke about cooperation between local agents and general agents and referred to the cost of certain supervisory services. It seems to be coming more and more the practice, he said, in some sections for both companies and general agents to relieve local agents of practically all clerical labor in preparation of policies, keeping track of renewals, making rate inspections and various other details. In other jurisdictions agents resent the intrusion of such activities.

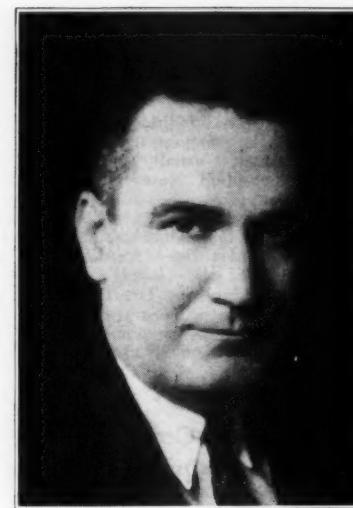
Danger of Intrusion

From the agent's standpoint, Mr. Dargan, acknowledged, it must be observed that the further these activities on part of companies go the more danger there is of the companies being compelled finally to take over entirely the duties performed by local agents. The pyramiding of expenses caused by duplicated service is making it increasingly harder for both general agents and companies to exist. "Surely if we are to have local agents then these agents should be per-

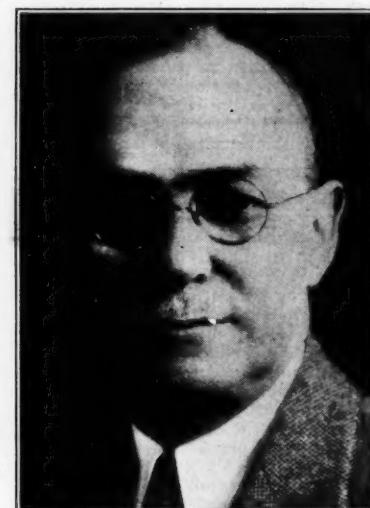
ON COMMISSIONERS EXECUTIVE COMMITTEE



J. S. WILLIAMS III, Mississippi



J. M. McCORMACK, Tennessee



C. A. GOUGH, New Jersey

mitted or required to perform the function of agents," he added.

Mr. Dargan said that certain company organizations and pools are becoming an expensive luxury. Here again is an opportunity, he thinks, for the legitimate general agency, to step into the breach and render valuable assistance in pegging that increasingly important item, overhead expense. He views with alarm the alternative of legislative control where unregulated competitive factors inject themselves. He hopes that the business has not reached a point where its leaders will admit the need of legislative control. "It is futile," he added, "to try to blind ourselves to the fact that the business is rapidly drifting in that direction."

Accident Bureau Meeting Is Held

(CONTINUED FROM PAGE 19)

ardized program in its entirety to revise their views. He said: "The outstanding work done in the past year has been the development of our medical, hospital and nurse expense policy. The service rendered by the committee in trying to prepare a policy that would meet the demands of the insuring public has probably been as important as any service performed since the revised program took effect in 1932."

George Goodwin, Connecticut General, gave the report of the underwriting committee. He said more time has been spent on the problem of some form of health policy to cover the expense of hospital and nursing service and surgical operations than on any other single subject which has occupied the committee's attention in several years. He reported that the committee is recommending to bureau members the issuance of a student accident policy providing death, dismemberment and reimbursement and the health hospitalization policy from age 14.

ANSTETT'S ADDRESS

C. E. Anstett, superintendent department of inspection New York Life, in his talk said that surveillance has become a recognized means of defense against fraudulent disability claims. What a surveillance operative says he saw a claimant do is of prime interest to the company if such activities disprove or deprecate the merits of the claim. Such operatives, however, when testifying in court are under an obvious handicap which opposing counsel never fails to make the most of. A motion

picture, therefore, is an adjunct to surveillance. It proves what it shows; it shows what the operative says he saw. Photographing a disability claimant merely because an opportunity is afforded is a waste of film. A picture must have a reason, a purpose, he said. It must tend to disprove what is claimed.

What Should Be Shown

Therefore, to discredit a disability claim any motion picture must show the claimant either working at some gainful occupation or engaging in some sort of physical activity which according to nature of claim, insured should be physically unable to do, or according to the nature of the claim insured would be most imprudent to so engage. Mr. Anstett said a small compact magazine-loading type camera should be used. Frequently lenses are apt to be attacked in court by opposing counsel, alleging that their construction is faulty, that they produce distortion, etc. The logical way of overcoming this is to submit all lens equipment to the U. S. Bureau of Standards for the purpose of obtaining a certificate. He said the simplicity of amateur motion picture equipment is a point in its favor for use. The operator does not need to know anything about photography other than he must hold a camera steady whenever it is in operation.

The question of speed of camera and speed of projector is often brought up. Films must be projected on a screen at exactly the same rate of speed as when taken. The question is often presented as to whether or not any trick photography has been employed. When a company has more than one camera, the question will often be raised, "Which camera was used?" A caution to be observed in using telephoto lenses is to avoid taking pictures of an insured walking directly toward or away from the camera.

Will Consider Chicago Rules

NEW YORK.—Due to the absence in San Francisco of a number of surety company officials interested in the sessions of the National Association of Insurance Commissioners, the meeting of the fidelity and surety acquisition cost conference, scheduled to have taken place here last Friday when a number of suggested changes in the recently adopted rules for Cook County, Ill., were to be reviewed, was postponed until July 11.

Casualty Managers Meet

The Casualty Managers Association of Chicago held its annual meeting. Reports of the legislative and acquisition cost committees were read and adopted

Machinery Working to Speed Up Plans for Boston Meeting

BOSTON—Enthusiastic pressure on the convention machinery starter for the annual gathering of the National Association of Insurance Agents to be held in Boston Oct. 2-7, was officially applied early this week by J. B. Miller, assistant secretary of the National association, on his arrival from New York for conferences with H. R. Preston of Springfield, and R. A. Sullivan and L. H. Hoffman of Boston, leaders in the plans for the Boston meeting.

Mr. Miller was guest at a luncheon Monday given by the convention committee following conferences individually and collectively with committee chairmen at convention headquarters, 40 Broad street.

An estimate of approximately 2,500 was placed by Mr. Miller on the attendance for the Boston convention. Agents, he said, would attend the convention to get practical ideas for their fall and winter sales work, and he pointed out the group meetings that have been arranged for their benefit, and the formal program of addresses and symposiums for discussion of subjects that mean much to every local agent.

A. & C. Opens Boston Branch

BOSTON.—The Accident & Casualty of Switzerland will open a branch office in Boston with Thompson S. Sampson as branch office manager. Mr. Sampson recently retired as manager of the metropolitan department of the Massachusetts Bonding. He was formerly secretary and vice-president of the American Mutual, Boston manager of the Maryland Casualty, and was one of the organizers and from 1926 to 1932 manager of the Century Indemnity. The Accident & Casualty is now entered in all states except Alabama and New Hampshire and in the District of Columbia.

U. S. F. & G. School Starts July 6

BALTIMORE — A full class is assured for the summer session of the U. S. F. & G., starting July 6, with the enrollment of 30 students from 15 states, the District of Columbia, Canada and Porto Rico. The fall session starts Oct. 2.

and plans were made for the holding of a golf party either in July or August. It was decided that a publicity committee would be formed to begin functioning in the fall.

Auto Finance Problem Argued by Commissioner

(CONTINUED FROM PAGE 3)

companies organize limited company agencies that write a nominal amount of outside business in an attempt to make their operations appear to be legitimate. Last year, he said, the Ontario department cancelled the licenses of two such concerns. He said that some of the finance companies in his province have been getting commissions of \$100,000 a year.

Harrington of Massachusetts said there is no disposition on the part of finance companies to submit to regulation. "Each state should get tough," he declared. He observed that if the department undertakes to prevent rebating, holding companies are formed. "The finance people," he declared, "should consent to handle the situation sensibly."

Loyalty to Agents Questioned

Blackall asked when a commission becomes excessive. Harrington replied, when the service given is nil. He said the insurance companies are parties to the arrangement. They know that the agent is not getting the commission. At the same time that the companies are paying high commissions for finance business, he declared, they are cutting the commissions on individual business "to the point where the agent can't exist." He said that the agency system should not be used as a means of legalizing rebate. McCormack asked Harrington whether a company is faithful to the agency system when it plants a finance company as agent at 42½ percent commission. Mr. Harrington replied in the negative.

A representative of the American Finance Conference of Chicago said at the Des Moines meeting it was indicated that representatives of the finance business would be given an opportunity to confer with the commissioners and that this prospect was pleasing to them. The finance companies, he said, were disappointed that such a meeting was not called. Blackall said that the commissioners realized, as they got farther into the problem, that they lacked jurisdiction over the finance companies.

Says Finance Men Not Outlaws

Nevertheless, the A. F. C. representative declared, the finance people would like an opportunity to get the point of view of the commissioners. "We are not outlaws," he declared.

Blackall recalled that he gave an entire afternoon recently to conversation with representatives of finance companies in New England with no insurance men being present.

The A. F. C. representative said a frank discussion would be of great benefit. His organization, he said, embraces 365 companies and it possesses leadership. Many finance men, he said, realize that commissions are excessive. He requested that a meeting be held.

Boney said that the main question is acquisition cost and that is being solved by the natural force exerted by the high loss ratio on finance business. It is a sellers' market and the insurers are cutting commissions. It is an economic problem, he contended, that has taken care of itself.

Do Not Remit All Collected

Rouillard of New Hampshire said that 10 finance companies admitted to him that they are receiving rebates but they defied him to find it out. He said he favors making the business available to all agents by legalizing the charging of a low rate to the finance company by the insurer and the charging of a higher rate by the finance company to the car purchaser. The finance company as a matter of fact, he charged, collects from the public a higher rate than that which it remits to the insurer.

Most of the finance business, according to Waters, is done through Chicago and New York brokers who get 2½ percent commission. The local resident

agent gets 2½ percent and the finance company gets 35 or 37½ percent.

Harrington recommended that convention examinations be conducted of companies heavily interested in the finance business with particular scrutiny given to their finance operations.

Blackall remarked that such procedure would conflict with the present examination situation.

Rouillard suggested that the committee ask for authority to make an examination of companies writing finance business.

McCormack said that he is opposed to a special examination.

Rouillard said he had in mind merely an investigation that would trace a few finance accounts through one or two companies.

It was pointed out that Texas and Illinois had developed much information through the questionnaire method.

Harrington voiced the opinion that the information should be developed only through the regular examinations.

McNairn said he is sure that the companies would come in and tell the commissioners whatever they desire to know.

Blackall inquired of J. Ross Moore, manager National Automobile Underwriters Association, whether the companies had not been making progress. Mr. Moore replied that progress had been made by putting a "cap" on commissions and by adoption of uniform policy forms.

Blackall Reads Memorandum

Blackall read a memorandum that he had prepared on the meeting that had been held with companies in New York May 17. In addition to Waters and Blackall the commissioners were represented by Rouillard. Ross Moore was there, as was W. F. Beyer, vice-president of Home and president National Automobile Underwriters Association. Orville Davies, General Exchange Insurance Corporation, was there as well as A. E. Heacock, vice-president Meserole companies and representatives of the Kemper companies, Chubb & Son, Aetna Fire, National of Hartford and Hartford Fire.

Mr. Heacock said that the high commissions came from the competitive situation. He and the Chubb & Son spokesman voiced objection to the commissioners approving a 30 percent commission cap. Mr. Davies said that his company would cooperate. Mr. Moore said that his organization could control its own members.

It was brought out that one company was paying to a finance company for credit reports an amount that represented 45 percent of the premiums. Commissions on finance business are the highest on any class of fire business, according to Mr. Blackall, except in such cities as Boston and Chicago.

Rate Regulation Opposed

Waters said he favors opposing high commissions but the committee should be careful not to recommend rate and commission regulation. Blackall said that he is not prepared to regulate rates in Connecticut with his present staff. He said that rate regulation may come in his state but that he hopes it is a long way off.

Boney said that company executives could be summoned to appear and an examination of the companies is not necessary.

Harrington said he prefers to get the information as an adjunct to a regular company examination. That, he said, would not constitute an inquisition. He said he is opposed to questionnaires because there have been so many of them.

"We are going nuts with questionnaires," Gough asserted.

Homer L. Teamer, secretary Insurance Federation of Pennsylvania, spoke at a meeting of the Pennsylvania Threshermen & Farmers Mutual Casualty in Harrisburg, on the workmen's compensation laws. Henry I. Wilson, author of the measures, also talked.



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Fire Rate Case in Missouri Should Be Settled on Merits

(CONTINUED FROM PAGE 2)

as voluntary and severable from the remainder. The rate controversy should "no longer be the subject of litigation in this case."

Assumes Burden of Decision

By impounding the funds the court assumed the burden to decide the case on its merits, and it must do so, the companies assert in their memoranda.

The companies admitted that there are three exceptions to their argument that the court cannot set aside the decree because the term in which it was entered has expired: (1) lack of jurisdiction, (2) mistake, and (3) fraud. Only the latter can apply here. They pointed out that there is a difference between intrinsic and extrinsic or collateral fraud, and assert there is no intrinsic fraud in the present case. In case extrinsic fraud is shown, the decree then can be set aside on independent action by the defrauded party. This has not been done.

Failed to Restore Benefits

The superintendent has failed to restore benefits he received under the decree: between \$600,000 and \$700,000 for expenses, and 20 percent to the policyholders. Until these benefits are restored, the court has no power to set aside the decree under which they accrued to the state and policyholders, companies argue.

The "show cause" order of the court, May 29, clearly intimates that the court considers it should immediately order the returned funds to be distributed to the policyholders at the companies' expense and without any previous judicial determination of (a) legality of the 16½ percent increased rates, (b) propriety or impropriety of the companies' conduct in connection with the decree, or (c) right of the superintendent to repudiate part of the decree to avoid all its burdens and at the same time hold fast to other parts of the decree so as to obtain all its benefits.

Assumes Duty of Disposition

When in 1930, the memoranda continues, the court ordered the 16½ percent increased rates to be impounded it assumed the duty of making a proper disposition of such impounded funds on final determination of the controversy. Having once assumed that judicial duty, it should not now order the fund to be distributed to either party without first determining on the merits of the litigation which party should receive it.

The court must determine (1) whether the rate existing before the increase was confiscatory, (2) whether the rate as increased was reasonable, and (3) whether the order of Superintendent Thompson disapproving the increase was confiscatory.

To distribute the funds without these determinations, the companies charge, would be a denial to them of due process of law under the 14th amendment.

Merits Open to Controversy

Even if the Feb. 1, 1936, decree were collusive, obtained by fraud or bribery (for which the companies insist they had neither knowledge nor responsibility), and this court considers it has the power on its own motion, and without any independent suit by the alleged injured party, it still leaves the merits in controversy for future determination.

If the companies are thought to be guilty of inequitable conduct, it is certain that such conduct has no bearing whatever on the question of whether or not the rate fixed by Commissioner Thompson is or is not confiscatory. So the clean hands principle can have no application.

To the superintendent's contention that under the unclean hands doctrine

the alleged bribery bars the companies from any right to have a determination of the rate controversy on its merits, the companies point to two settled principles of law: (a) if the court sets aside the decree, because procured by fraud, then the case must be decided on its merits, and (b) the superintendent must not only show (1) that the decree was fraudulently procured but also (2) that he has a meritorious defense on the merits.

No Evidence of Guilt

In the present state of the record there is no evidence the companies even subsequently were guilty of improper practices, the memoranda state. No evidence exists whatsoever that the companies knew or could have known that C. R. Street did any improper act.

One of the reasons given by Superintendent Lucas, in his motions to strike, for not wanting the rate controversy to be reopened was this: that the evidence taken in the rate controversy was taken in each of the 137 cases and runs into thousands of typewritten pages "with which it would be difficult, under two or three years, for present counsel of the insurance department to become sufficiently familiar to properly and intelligently meet the rate issues at this late day."

The insurance department will file answer to the companies' memoranda on June 30.

Indiana Agents Gird for Legislative Fight

(CONTINUED FROM PAGE 2)

the board, spoke on "Logical reasons why agents should support the work we are trying to accomplish as an association," declaring that "unless the association lives up to its purposes 'it is unfair for us to expect much from the other fellow.'" He urged the employment of a full-time secretary or manager.

Mr. Myers decried appointment of "curbstone" agents, stating that fewer but better qualified agents would better serve the citizens of this state.

H. W. Bradshaw, Delphi, in reporting for the committee on by-laws offered amendments designed to eliminate difficulties imposed upon the officers in conducting the association's affairs. The amendments were adopted.

F. C. Richardt, Evansville, chairman of the legislative committee, gave a vivid resume of the successful work done by the legislative committee in influencing action on more than 200 insurance bills, only one of which was passed, and that was one favored by life companies.

Chris Zoercher, Tell City, a past president of the association, warned that attempts will be made to pass a state fund compensation law at the next legislative session.

Potter Scores Mutuals, Co-Ops

Wellington Potter, Rochester, New York, agent, talked vigorously and effectively. Using a large display of exhibits, including advertisements of mutual insurance companies, letters and pamphlets, he told of the trend in this country towards socialism and communism.

He said that he became a platform speaker by a chance conversation in which the question, "Why are we not making as much money as men in other lines of business?" was asked.

"I began to do some inside thinking," he said, "after some study, I realized that mutual insurance was a direct challenge to the sale of stock insurance and turned my attention to analyzing this form of competition."

He studied advertisements of mutual companies published in Rochester papers and in national magazines, discovering numerous statements and claims which he proved to be not wholly true and was instrumental in having certain ad-

Iowa Commissioner on the Committee

Although recently appointed, C. R. Fischer, insurance Iowa, was elected a member of the executive committee of the National Association of Insurance Commissioners. Mr. Fischer aligned with the far west and southern group in opposing Superintendent Pink of New York and the eastern cohorts. He was well received at the San Francisco convention and is regarded as one of the coming men in the commissioners ranks. He is the only new commissioner on the committee.



C. R. Fischer

Brown County, Indiana, but whom some recognized as being identified with the banking department of the Fletcher Trust Company in Indianapolis.

Nearly 200 hundred registered and the attendance at the banquet and several sessions exceeded this number. Mr. Coffin presided at the Thursday sessions and Mr. Myers at the Friday sessions.

Simpson Stoner, Greencastle, and Walter Lupke, Fort Wayne, were appointed members of a newly organized publicity committee.

Among those present from outside the state were A. L. Carr, New York, vice-president National Surety in charge of production; W. S. Whitford, Chicago, vice-president Millers National; Earl E. Vogt, advertising manager Millers National; H. G. Eason, United States Casualty, Chicago; Elmer Peine, W. A. Brown and John P. Keevers, Maryland Casualty; John H. May, Detroit.

Frederick Grumme, secretary Indiana Insurance Company, and Mrs. Grumme were hosts to several motor boatloads of guests who crossed the lake from the Spink-Wawasee Hotel to the beautiful summer home of the Grummels on the south shore.

Conduct Agency Conference

SAN FRANCISCO—Taking advantage of their visit here to attend the commissioners convention, Spencer Welton, vice-president, and Donald Falvey, secretary-treasurer of the Massachusetts Bonding, conducted a two-day agency business development meeting. On the last day the group, numbering about 75, were the guests at a banquet.

Hart Wisconsin Special Agent

Harry L. Hart has been appointed special agent in Wisconsin by the Glens Falls Indemnity, succeeding W. J. Benson, transferred to the central department in Chicago. Mr. Hart has been in the Minnesota field for the Glens Falls Indemnity for several years, prior to which he was stationed in Milwaukee.

J. A. Mullen, vice president Standard Accident, accompanied by Mrs. Mullen, is embarking Friday on the maiden trip of the liner S. S. "Mauretania" for a five weeks stay in Europe.

W. J. Williamson, son of J. E. Williamson, has purchased his father's interest in the Bright & Williamson agency, Nashville, Ind. He managed the agency for about 3½ years while his father was circuit clerk.

Economist Speaks



W. B. BAILEY

Prof. W. B. Bailey, economist at the head office of the Travelers, is giving an important address at the silver anniversary meeting of the Bureau of Personal Accident & Health Underwriters this week at Rye, N. Y., on "The Economic Background of Accident Insurance."

POINTERS FOR LOCAL AGENTS

Outboard Motor, P. and I. Cover Are Good Income Sources Now

With vacation months close at hand many people are turning their attention to summer sports including outboard motor boating. Those who have summer places of one type or another on lakes or rivers usually have such boats and are therefore prospects for outboard motor and P. and I. coverage. Many of them are probably unaware that these are available.

Prospect files should be reviewed to discover potential customers. There are owners of "outboards" in every community. Many fishermen own motors only because of their portability and carry them to and from boat yards where they rent yawls. Outboard motorboats are found at summer and winter resorts.

Unlike yachts and the larger motorboats, outboard motors come under inland marine insurance. Cover is usually written by attaching a special endorsement (specified peril) to an inland marine policy, usually the form is designated by different companies as a miscellaneous article, scheduled property or inland floater. The fire insurance policy is not used. Some companies have special outboard motorboat policies which contain substantially the same conditions.

Covers Against Specified Perils Only

The policy covers the outboard boat and/or motor while either on land or water against specific perils only. It is not an all risk contract. The boat is covered while afloat or ashore against fire and lightning, theft of the entire boat but excluding pilferage, and loss or damage by collision with another vessel. The motor, whether attached to or on board the boat or while on shore is covered against fire and lightning, theft of the power motor but excluding pilferage, loss or damage by collision with other vessels, total loss by marine perils, including total loss overboard from any cause.

This latter is important inasmuch as outboard motors often become loose from their fittings and drop in the water, being a total loss.

Motors Are Easily Lost

For example, an individual who had an outboard motorboat on a small lake made a speedy circuit around it in a "race" against a friend who had a similar boat. To all intents and purposes the motor had been securely fastened. Later, when a large motorboat went by, the waves created by its passage rocked the outboard motorboat violently. The motor, which had worked loose, dropped into deep water and was a total loss.

Outboard motorboats are also covered against loss or damage by fire, derailment, collision, overturn, conveyance or theft of the entire motor while in transit on shore.

Exclusions Listed

The usual exclusions include wear and tear and gradual depreciation, and loss caused by infidelity of employees of assured and others to whom the property is entrusted.

The policy is null and void if the boat to which the insured motor is attached or insured boat is used as a public conveyance for carrying passengers for a consideration or rented or used in illicit

trade or while operated in any official or speed test. The policy carries 100 percent coinsurance.

The outboard motor policy is not a valued contract and the insurer is not liable beyond the actual cash value of the property at the time the loss or damage occurred and in no event in excess of that specified in the policy.

Operation of the boat or motor is not restricted to any certain waters. The date between which the boat and/or motor shall be stored on shore and is not used is specified in the policy. Coverage against fire only may be had by attaching the proper form to a fire insurance policy.

In selling the outboard motor cover the agent should not overlook the possibility of selling protection and indemnity insurance along with it. This covers loss or damage to any other ship or boat or goods or other property or interest on board, such as other ships, which is not covered by the running down clause of the hull policy. Also covered is loss or damage to any other goods or merchandise, freight or any other property or interest which may arise from any cause; loss of life or personal injury and from payments made on account of salvage.

Can Sell Two Contracts

Thus it can be seen that the agent has the opportunity of selling two policies instead of one to owners of outboard motor boats.

As the two types of coverage are seasonal, agents would do well to contact now all individuals they know who are owners of such boats.

—where business interruption insurance was carried. The saw mill of a lumber concern was totally destroyed by fire resulting in a total suspension of business for thirty-two weeks. In addition to recovering \$110,000 for the property damage loss on the saw mill they also received \$114,000 for the business interruption loss.

Beset with Labor Troubles

Another concern was beset with labor troubles before the sitdown strike came into vogue. The peaceful picketing turned into a riot which lasted over a period of 12 days. The property was damaged so that it required two weeks to place the plant in operating condition after the strike was settled. This concern recovered \$54,000 for the property damage and \$57,000 for the business interruption period of two weeks. Both of these concerns, because they were insurance-minded, will be able to maintain their good credit standing.

"There are certain kinds of business, such as newspaper, milk distributors, ice companies, laundries, small independent utilities, and others which require immediate resumption of service, it being imperative that they carry on operations regardless of expense involved. The immediate resumption of the business or service means expenditures that are not recoverable under property damage or business interruption insurance. Such expenses are insurable under extra expense insurance. These extra expenditures would necessarily have to be incurred in order to continue as nearly as practicable the normal operations of the building following damage to or destruction of the business or contents. Extra expense is defined as the excess of the total cost during the period of restoration of the operation of the business, either at the premises damaged or at a temporary location, or both, over and above the total cost of normal operation of the business had no loss occurred. Such extra expenses may be incurred by leasing property and facilities of other concerns or other necessary emergency expenses.

Extra Expense Insurance

"Newspapers are a class of business that require immediate resumption of services to protect their franchises with news service agencies and maintain their circulation. Some of the extra expenses which face a newspaper, should the building or its equipment be damaged, are rent of temporary premises, rent of temporary equipment and type, expense of moving equipment to a temporary location, cleaning premises at the temporary location, light, heat, and power at the temporary location, telephone and telegraph installation and operators at the temporary location, labor (overtime) of composition, printing and clerical also labor of mechanics and electricians, extra traveling expenses, bonuses for quick services. There are of course certain expenses that discontinue at the original location where the loss occurred. Extra expense insurance is not to be confused with business interruption insurance, since it does not reimburse for loss of net profits and continuing expenses nor for any direct or indirect property damage loss insurable under property damage policies. Its purpose is to provide funds for the immediate resumption of the service interrupted."

Do not try to be smart or clever or humorous merely for the purpose of showing how clever you are.

Be sincere; and give the impression of sincerity.

Business Interruption and Extra Expense Insurance

E. J. Hepp of Chicago, assistant secretary Springfield F. & M. group, in speaking before the coal and fuel section of the National Association of Credit Men told about business interruption and extra expense insurance. He explained that there had been three fundamental U. & O. forms developed for mercantile establishments since business interruption insurance was started to be written—the per diem, the contribution and lastly the gross earnings form. He explained that the contribution form was set up as a two-item form, (1) insuring the net profits and continuing charges and expenses, and (2) insuring the ordinary payroll for 90 days. The contribution clause required insurance equal to 80 or 100 percent of the net profits and all charges and expenses.

Gross Earnings Form

In speaking of the gross earnings form, he said:

"The form was simplified by the adoption of a single item, thereby permitting the use of a shorter form of work sheet to determine the business interruption insurable value. The yardstick for measuring the loss is the reduction in gross earnings directly resulting from the interruption of business, less charges and expenses which do not necessarily continue during the interruption of business. Consideration is given to the continuation of normal charges and expenses, including payroll to the extent necessary to resume operations with the same quality of service as that which immediately preceded the loss. No mercantile establishment, large or small, can afford to lose the benefit of a trained organization when they resume business after a suspension of three weeks or three months. Employes frequently acquire considerable personal clientele, which follow them from one mercantile establishment to another."

days, necessary to replace damaged or destroyed stock without charge. If the stock is of such nature as to require a replacement period of longer than thirty days, the policy may be endorsed. Insurance for an amount equal to 50, 60, 70 or 80 percent of the annual gross earnings may be carried. Some business, such as department stores, may earn 70 percent of their annual gross earnings in the months from November to April and in such cases the business interruption insurance should be written with the 70 or 80 percent coinsurance clause to avoid contribution in the event of a loss causing inoperation through those months.

"Frequently an interruption of business may be brought about by fire or some other form of casualty destroying buildings nearby or across the street, leaving the walls only standing. The fire department or the building department may rope off the area to prevent injury to pedestrians and thereby cause a business interruption loss to merchants in the roped-off area even though their property was not damaged. The form allows recovery for such business interruption loss for a period not exceeding two weeks.

Examples of Losses

"Let me give some examples of losses that have occurred and where business interruption insurance was not carried. A jewelry store in South Bend, Ind., was almost totally destroyed by several bomb explosions which originated in a restaurant in the same building. The president stated that the loss of interruption to the business amounted to \$18,000. The loss put the company in a rather critical condition and its continuance in business depended to a large degree on assistance from friendly houses.

"Another concern in business for over three decades in Kansas City, Mo., had a fire in the basement causing an explosion of accumulated gas which completely wrecked the building. They collected their property damage loss of \$86,000 but there was no recovery of the business interruption loss of \$124,000. They struggled back to their feet, lasting only four years and paying out very little on the dollar.

"Now for the other side of the picture

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Kansas City Board Adopts New Setup

KANSAS CITY — Several changes have been made in the setup of the Insurance Agents Association of Kansas City by adoption of revised by-laws.

Brokerage commission to non-resident agents and brokers was placed on a reciprocal basis and made the same as that paid to Kansas City agents and brokers in the home city of the out-of-town agents and brokers doing business here. The new by-laws place no limitation on commission paid in interchange of brokerage between Class 1, 2 and 3 members. There is no limitation on commission to solicitors. A solicitor is now defined as a broker who maintains his sole office with a Class 1 member. A Class 1 member is a policy-writing agent. Class 2 members are branch offices. Class 3 members are non-policy-writing agents working through Class 1 members. The association has 20 or 30 of Class 3 members, but no more will be accepted to membership after July 1.

Class 4 is a new classification covering, in effect, brokers. They must place all fire and allied lines through members of the association, and cannot be licensed as agents, directly or indirectly.

Brokerage to Class 4 members is not to exceed W. U. A. scale to local agents, less 7½ percent.

Reviews Legislative Action in Michigan

DETROIT — The personal property bill, a measure of considerable importance to insurance men and assured alike, failed to pass the last legislature because of a lack of active support by the agents and company men, Waldo Hildebrand, secretary Michigan Association of Insurance Agents, declared in a legislative review at the Detroit association's meeting.

A new measure was passed reducing

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the property damage claim limit from \$300 to \$75, under the financial responsibility act. House Bill 166 prohibits automobile sales agencies from coercing car buyers who make their purchases on the instalment plan to take insurance with the financial company. The fire marshal is now under the state police instead of the insurance department.

Bills were passed approving statewide non-profit hospital and medical insurance corporations. The insurance department has been given more authority over accident and health forms and rates. Bills giving the insurance department more authority over unauthorized carriers were not passed. Instead a resolution was passed calling for an investigation of the various ways and means by which employers are evading carrying workmen's compensation insurance.

W. A. Pobenz, Aetna Casualty, discussed changes in the public liability manual. For most owners, landlords' and tenants' classifications the frontage charge has been reduced and the area charge increased. Charges for increased limits have been decreased.

Hendrickson Joins American States

R. A. Hendrickson has resigned as secretary-counsel of the Indiana Association of Insurance Agents to become public relations counsel of the American States of Indianapolis and its associate, the Automobile Investment Corporation. Mr. Hendrickson, who is a member of the Indianapolis Bar Association, has been for the past year actively promoting membership for the Indiana Association of Insurance Agents and otherwise strengthening that organization. During the recent session of the Indiana legislature he gave practically all his time to legislative matters, and effectively. Of over 200 bills affecting insurance interests, some of those inimical including a compensation state fund, only one passed and that was favored by life companies.

Upper Peninsula Men Meet July 14-15

Complete program is announced for the annual convention of the Upper Peninsula Association of Insurance Agents at Iron River, Mich., July 14-15. The following two days the agents and their families are invited to attend the annual bass festival at Crystal Falls.

The first day's program already has been given.

Notable Speakers Listed

The following morning President Guy M. Cox will preside at the session in the Delft theater, Iron River. William Bishop, manager state accident fund, Lansing, will talk on the fund; Joseph Mundus, Ann Arbor, past state president, on "The Michigan B. D. Program," and W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, Lansing, on "Your State Association." In the afternoon Clyde B. Smith, Lansing, chairman state law and legislative committee, will talk on "New Insurance Laws and Legislation"; Martin Mullally, president Michigan association, will give his annual report on the state association; George W. Carter, national councillor, Detroit, will talk on the National Association of Insurance Agents, and Lewis Wargin, special agent Hartford Acci-

dent, Milwaukee, on "New Automobile Rates."

A special meeting of the Michigan association will be held in the afternoon with general discussion and question box led by John D. Healy of Houghton, Mich., report of resolutions committee and business discussion. The afternoon session will be in the American Legion's club rooms, Stambaugh.

Commissioner Again to Talk

There will be a reception in the Caspian Legion club rooms with the Iron County association as hosts and a banquet at night.

Four past National Association of Insurance Agents presidents are planning to attend: W. B. Calhoun, Milwaukee; Allan I. Wolff, Chicago; Clyde B. Smith, Lansing, and C. F. Liscomb, Duluth. Edward J. Kreski, secretary, reports all civic organizations are cooperating fully in plans for the convention.

Iowa License Act Effective July 4

DES MOINES — The new resident agents' countersignature law goes into effect in Iowa July 4, bringing a decided change in the handling of risks.

Companies and agents already have run into the law with all renewals carrying an advance date later than July 4 being construed as falling under the new statute.

So far as can be ascertained all insurance men are following out the new law and are placing the renewals in the proper channels.

The law provides that all policies, endorsements, and "any contract of indemnity or suretyship" shall be signed by resident agents where the business is located. It may not be signed by any other person than a resident agent within the state whose compensation is by way of commissions secured on a percentage of premiums.

It also provides that all agents keep a record of all policies, endorsements and contracts countersigned for any agent or company in order that the insurance commissioner may at any time check such records for tax and other purposes.

The act was sponsored by the Iowa Association of Insurance Agents.

Live Topics Discussed at Rochester Regional Rally

ROCHESTER, MINN. — Automobile rates, retrospective rating in compensation insurance and the need for an agents' qualification law in Minnesota were among the subjects discussed at a regional meeting here of southeastern Minnesota agents. About 50 were present, including members of the executive committee of the state association.

D. L. Mills, Lake City, presided. E. F. Westrum, Albert Lea, led the discussion on an agents' qualification law. E. C. Huhnke, Duluth, held that comparatively few agents will be affected by the retrospective rating plan.

Ward Senn, Minneapolis, talked on accident and fire prevention, and P. H. Ware, Minneapolis, on Business Development work and plans for the state meeting. This has been tentatively set for Sept. 8-9 at Brainerd.

Manual changes were described by M. G. Rolfsen, Austin, and R. M. Thompson, executive secretary of the state association, spoke on the value of regional associations. Other speakers were Harry Levant, Eveleth, state president; A. A. Hirman, Rochester, who reported the state membership has reached 603; Roy Engberg, St. Paul; Howard Williams, Mankato, and Frank S. Preston, national councillor.

Preceding the regional meeting the

executive committee met and elected L. E. Hatlestad, Minneapolis, a member of the committee to succeed A. B. Caswell, resigned. The committee will hold its next meeting July 14 at Eveleth.

Dulaney, Johnston & Priest Takes Two New Partners

WICHITA — Reorganization and expansion of Dulaney, Johnston & Priest of Wichita is announced. Charles D. Harrison, a solicitor with the firm for five years, and James H. Knorr, since 1931 with Brown, Ginzel & Co. of Wichita, have been named partners. The sudden death of H. R. Johnston, senior member of the firm, last April, created a need for the new members.

Mr. Harrison joined the Wichita office of the New York Life following attendance at Kansas State College, resigning in 1934 to join the firm. Mr. Knorr had been with Brown, Ginzel & Co. since he graduated from Kansas University in 1931. Both are good producers.

Frank T. Priest is now senior partner, with C. J. Slawson and Howard N. Fulington the other old firm members. Mr. Priest joined the firm in 1912, became a partner in 1916; Mr. Slawson resigned as field man for the America Fore in 1926 to be associated with the office and was made a partner in 1929; Mr. Fulington joined in 1928 after graduation from Wichita University and became a partner in 1934. He is president of the Wichita Insurors.

The agency was founded as H. R. Johnston & Co. by Mr. Johnston in 1902 and consolidated with W. R. Dulaney in 1907, the firm changing to Dulaney & Johnston at that time. Mr. Priest's name was added in 1919. Mr. Dulaney died in 1934, but his health had not permitted him to be active for some years. The firm name is to be continued.

Ohio District Meeting at Lima

LIMA, O.—A large number of agents from northwestern Ohio attended the meeting of District No. 5 of the Ohio Association of Insurance Agents. Glen Webb, of Lima, trustee for the district, presided and speakers included C. D. McVay, vice-president Ohio Farmers; Raymond Rhoads, assistant superintendent of insurance, and C. B. Plummer, Columbus, field secretary Ohio association. Mr. McVay discussed insurance in its relation to the country's economic structure.

Honor E. C. Rohn's 50th Anniversary

The companies in the Rohn Insurance Agency, Ludington, Mich., gave a complimentary luncheon there honoring Eugene C. Rohn on his completion of 50 years of service.

About 45 field men were present. W. T. Benallack, secretary Michigan Fire & Marine, was toastmaster.

Among the company executives were Leonard Peterson, Home; George Scott, Traders; C. J. Lingenfelter, America Fore; W. G. Bayliss, Aetna Fire; Carl Ingram, Great American; W. G. Ogilvie, Norwich Union, and Arthur Anderson, Fireman's Fund.

Mr. Rohn and his family were guests. Many tributes were paid to Mr. Rohn, who was presented a gold watch and embossed resolutions commemorating his golden anniversary.

Approve Cleveland Merger Plan

CLEVELAND — At the final meeting of the Insurance Board of Cleveland prior to the summer recess, the plan proposed for the Insurance Society of Cleveland to merge with the board as a department of education was ratified. The plan had previously been approved by committees of the two organizations. The board at this meeting created a

special committee on public relations. As its first activity the committee will prepare a questionnaire regarding the buying power of the insurance industry in Cleveland. This phase of work was presented by E. S. Davis, acting for the committee, and by Chairman Clarence M. Johnson. The committee, in addition to Mr. Johnson, consists of W. E. Flickinger, E. S. Davis, Henry Frankel, L. W. Theis, H. S. Parsons and John W. Goebel.

John W. Barrett, new board president, presided. A resolution extending the jurisdiction of the board was unanimously adopted.

Closes Buyers' Series

KANSAS CITY—W. A. Sullivan, insurance director for the Loose-Wiles Biscuit Company, closed the season for the Insured Buyers Conference of the Associated Industries here with a discussion of stock, mutual and reciprocal insurance.

Landt Opens Cincinnati Agency

Irvin W. Landt has established his own agency at 2810 Carew Tower, Cincinnati, representing Accident & Casualty. He was formerly with the Thomas E. Wood agency and prior to that with the Eureka-Security agency.

Hail Company to Liquidate

LINCOLN, NEB.—The Great Western Fire, which has operated entirely as an assessment hail company, has asked the district court for an order of liquidation. The company has been comparatively inactive since the death of Edward Kyckelhahn two years ago. This year it has written but five policies.

Wichita Outing Held

The annual outing of the Wichita Insurers was attended by over 200. The ball game between the "Commission Splitters" captained by Roy R. Benjamin and the "Rebaters" captained by Standish Hall ended in a 20 to 20 tie.

In the small boys scramble for buried pennies, Frankie Priest was in a triple tie for first. His father is Frank T. Priest, of Dulaney, Johnston & Priest agency.

Liable for Damage to Tenants

LANSING, MICH.—Warnings are being issued by municipal electrical inspector's offices in Michigan against the liability of property owners for defective wiring conditions which may cause damage or loss to their tenants. The warnings are based on a recent supreme court opinion in which it was held that a public utility was liable for a \$13,600 loss to several families in a multiple-family dwelling.

Grow Talks to Realtors

DETROIT—The application of various types of property insurance that are necessary factors in the ownership, management and sale of real estate was discussed before the brokers' division of the Detroit Real Estate Board by J. Alfred Grow, vice-president of Homer Warren & Co. in charge of the insurance department. He dealt particularly with fire, windstorm and various casualty forms and pointed out certain dangers to be avoided. Mr. Grow is a past president of both the Detroit Association of Insurance Agents and the state association.

Field Men Aid in Kansas Drive

Kansas field men are taking an active part in the membership contest between the Kansas and Illinois associations of insurance agents which terminates with the annual meetings in October. According to the monthly bulletin of Secretary Wade Patton, 53 new members have been secured for the Kansas association so far this year by the field men alone, Hugh Coldwell of the Commercial Union group being credited with 11. The Kansas association now has

387 members and expects to pass the 400 mark before the annual meeting in Topeka.

Mutual Group Meets Oct. 25-26

The Wisconsin State Association of Mutual Insurance Companies will hold its annual convention in Milwaukee, Oct. 25-26. A. C. Fuge, secretary West Bend Mutual Fire, is president of the Wisconsin association. The Wisconsin Federation of Insurance Agents will also meet there at the same time.

NEWS BRIEFS

Flynn Chipley was honored on the 20th anniversary of the founding of his firm, Megginson & Chipley, St. Louis, by members of the Cooperative Club of St. Louis at a luncheon meeting.

The Insurance Women of Wichita held its first annual meeting last week, reelecting Miss Berneada Faulk of Dulaney, Johnston & Priest, president. Miss Emily Casford of Wheeler, Kelly Hagny, was reelected secretary. Other new officers are: Vice-presidents, Helen Compton, Kessler-Henry; and Lillian Thompson, Harris, Burns & Co.; treasurer, Mable Rose, Van Arsdale & Larkin, and reporter, Miss Edith Semple of Dulaney, Johnston & Priest.

James N. Kruger, who has been with W. H. Markham & Co., St. Louis, for 33 years, has been promoted to office manager.

Walter S. Schmitt, secretary of the Schmitt Co., Toledo agency, was elected first vice-president of the Ohio State Real Estate Association at its annual convention in Dayton.

Clyde Latchem, Kansas state fire marshal, has appointed Leigh Abbey, Macksville, a former member of the Kansas highway commission, as deputy.

The Stanso-Heslop Insurance Agency of Akron, O., has changed its name to Heslop Insurance Agency. Ray W. Heslop is president and George Missig, secretary.

EAST

Pennsylvania Meeting to Be Held Sept. 11-13

HARRISBURG, PA.—At a meeting of the directors of the Pennsylvania Association of Insurance Agents here it was decided to again hold the annual convention at Galen Hall, Wernersville, Sept. 11-13. Business sessions will be held in the mornings and recreation will be planned for agents and guests during the afternoons and evenings, according to Frank D. Moses, association secretary.

Manchester Agents Honor Smart

RYE BEACH, N. H.—The annual outing of the Manchester Fire & Casualty Association here was featured by the presentation to President James D. Smart of the New Hampshire Fire of a chest of silver, the presentation speech being made by J. H. Laflamme, dean of Manchester agents. It was in recognition of Mr. Smart's helpful cooperation with the association in its relations with the companies. Mrs. Margaret Blodgett presided at the dinner. Ed. W. Hill, special agent of New Hampshire Fire, won the men's golf tournament and Miss Stella Bodwell took the women's prize.

Philadelphia Loss Set at \$250,000

PHILADELPHIA—The four-alarm, all-day blaze at the Miller North Broad street storage warehouse last week is expected to show a total loss of about \$250,000. While early estimates placed the loss at closer to \$500,000, insurance men doubt that it will go over the quarter million mark.

The insurance loss would have been far greater had the 1,000 customers of the warehouse all carried insurance on their furniture and other possessions

stored there. What percentage was uninsured is not known at this time as the check has not been completed. The warehouse did not carry a blanket policy.

Pittsburghers to Golf July 10

PITTSBURGH—R. H. Ladley, Pittsburgh manager Continental Casualty, is chairman for the golf tournament to be held by the Insurance Club of Pittsburgh at the St. Clair Country Club on July 10.

Farrow Addresses Women's Group

H. M. Farrow, member executive committee New Jersey Association of Underwriters, addressed the Insurance Women of New Jersey, making an appeal for highway safety and greater driver responsibility. He pointed out the part insurance men and women can play in a safety program. A nominating committee was appointed and will submit its report at the September meeting.

Thomas Made Vice-president

W. Ray Thomas of Pittsburgh has been elected vice-president Pennsylvania Association of Insurance Agents to fill a vacancy. He has been a director for several years and is chairman of the conference committee. He is a director of the Pittsburgh Association of Insurance Agents and is president of Logue Bros. & Co., one of the leading Pennsylvania agencies.

Syracuse Exchange Outing

The Syracuse (N. Y.) Underwriters' Exchange held its annual outing at the Tuscarora Country Club near Syracuse. Many field men of both fire and casualty companies were on hand.

In addition to golf, a soft ball game between two teams of local agents and field men was won by the agents.

Entertainment was furnished by Charles Collin, National of Hartford, president of the Syracuse Field Club, following the dinner.

NEWS BRIEFS

The annual meeting of the Maine Association of Mutual Fire Insurance Companies was held in Hallowell. Speakers included Deputy Commissioner H. E. Rodgers, H. F. McGlaulin of Presque Isle, and Guy C. Eaby of Lancaster, Pa.

Frank A. Peabody of Holton, Me., was presented a silver pitcher by Special Agent E. A. Ribbe of the Great American for continuous representation of the company since July 1, 1906.

The annual agency conference of the Vermont Mutual Fire was held in Montpelier. Speakers included Lieutenant-Governor W. H. Wills, local agent of Bennington; Commissioner Hemenway, Deputy Commissioner Pingree, Deputy Fire Marshal Regan, former Governor John E. Weeks, Vice-President L. O. Tracy and President Hugh Phillips of the Vermont Mutual.

COAST

Insurance Day at Fair Big Event

SAN FRANCISCO — The insurance fraternity of northern California, with a scattering from other parts of the state, and a large number of company executives from the mid-west and east, including insurance commissioners, had a "play-day" at the San Francisco fair Saturday. More than 10,000 attended the ceremonies and the evening buffet-supper dance where Miss Marguerite Johnson of W. B. Brandt & Co. was judged the prettiest girl in the insurance district.

Rex B. Goodcell, still carrying on as insurance commissioner pending arrival of his successor, and J. B. Levison, hon-

orary chairman of "Insurance Day," were the only speakers. P. F. Garnett, Pacific Board, opened the "show" as chairman of the activities committee.

Beauty contest judges were J. C. Dornin, Springfield Fire & Marine; H. F. Badger, Pacific Board; R. J. Mayle, Pacific National Fire; R. A. Rowley, Johnson & Higgins; Mrs. Alyce West, president Insurance Women's League; T. F. Ryan, Fireman's Fund; Charles Landresse, London Assurance.

Abandons Idea of Pledge

SAN FRANCISCO—After conferring with some of the company leaders here while attending the meeting of the National Association of Insurance Commissioners, Commissioner Sullivan of Washington has decided to abandon his intention of demanding that the chief executive officers of fire companies file with him a pledge to abide faithfully by all rate and rule regulations in the state.

Will Have Forum Club

SAN FRANCISCO—A group of about 16 examiners in Pacific Coast departments of fire companies are completing the organization of a club modeled after the Forum Club of New York. The intention is to have luncheon meetings at which addresses will be given and informal discussions conducted. The idea is being endorsed by company managers and the leaders hope to have the organization completed by Sept. 1. William Mutch of Travelers Fire is one of the most active of the organizers.

Talks on Use and Occupancy

HOLLYWOOD, CAL.—H. W. Semmelmeyer, special agent, Great American, spoke at a meeting here of the Associated Agents of Southern California with the Inglewood agents as hosts. Mr. Semmelmeyer discussed needs and uses of use and occupancy coverage. The agents discussed the new fee bill and the effect it will have on weeding out part timers.

Boole Is Executive Chairman

SAN FRANCISCO—Fred W. Boole, head of the brokerage firm bearing his name, has been elected executive chairman of the Society of Insurance Brokers of San Francisco, with W. Shepard French, French & St. Clair, executive vice-chairman.

To Talk to Fire Chiefs

SAN FRANCISCO—Several insurance men will speak to the Pacific Coast Association of Fire Chiefs' annual meeting here, Sept. 18-19. John Colton, Los Angeles, engineer Pacific Board, will speak on "Fire Streams and Nozzles." R. R. Gordon and William A. Groce, investigators for the National Board in the Pacific northwest, will participate in a discussion on arson evidence. Jay W. Stevens, National Board, is secretary of the association.

NEWS BRIEFS

Insurance taxes paid into the California state treasury for the 11 months period ending May 31, totaled \$7,455,481, a gain of \$805,104.

The Colorado Association of Insurance Agents, which will hold its annual meeting in Denver, Sept. 15-16, has chosen the Shirley-Savoy Hotel as convention headquarters.

The Denver board of water commissioners has refused to lower or eliminate a "readiness-to-serve" fee for sprinkler connections, which runs from \$180 per year up, whether or not the sprinkler system is used during the year. A committee of the Chamber of Commerce had protested this fee.

After spending several weeks at the head office of the National Board in New York, Assistant General Manager C. H. Lum, in charge of its Pacific Coast department, has returned to San Francisco.

IN THE SOUTHERN STATES

Liquidation Law Is Signed in Texas

DALLAS—The new Texas uniform liquidation measure has been signed by the governor. It carries the emergency clause making it operative immediately.

Provision is made for the state insurance board to name a liquidator who shall take charge of insurance companies which the court places in receivership. Under the old law the receiver was named by the court on the recommendation of the authority seeking the receivership.

The new law confers broad powers on the liquidator to conduct the businesses, to conserve the assets of the companies in receivership and rehabilitate them if possible.

The provisions of the new law are not applicable to insolvency proceedings against mutual assessment associations, in so far as they conflict with the mutual assessment law providing for the strict regulation of such concerns passed at the recent session. Under that law the state board also names the receiver.

An appropriation bill increased the salary of Walter Woodward, chairman state insurance board, from \$5,000 to \$5,600 annually. The other two commissioners get \$5,000 each. The life insurance division was given an increased appropriation of \$20,000 and the funds for the entire insurance department were upped \$35,000.

Increase Investigation Funds

The committee to investigate the fire and casualty rate structure made a successful appeal to the legislature and increased its appropriation from \$1,000 to \$1,500. The house turned down a plea for \$2,500.

Bryan Bradbury, a member of the committee, told the house the inquiry would be more extensive than at first anticipated. He said the insurance board is about ready to order a 10 percent rate reduction.

Other important bills passed regulate examination of foreign insurance companies; require reciprocal and inter-insurance exchanges to maintain sufficient available cash to pay all losses within a reasonable time; clarify Article 7064 to make premiums paid on insurance written outside of Texas on property in state subject to tax, amounting to about \$600,000 yearly; permit fire insurance companies to invest in real estate in same ratio as life companies.

Walmsley Agency Expands

The R. M. Walmsley Insurance Agency, New Orleans, has been appointed general agent of the Metropolitan Casualty and the American National of Galveston. Lawson DuCles is the new manager of the life and liability departments.

Seek Farm Business in Tennessee

NASHVILLE, TENN.—E. H. Born, assistant manager Western Underwriters Association, and F. H. Cornell, manager farm department of the Home, Chi-

cago, met with the farm committee of the Tennessee Fire Underwriters Association and with John D. Saint, manager Tennessee Association of Insurance Agents, in the interest of more farm business in Tennessee.

Egan Superintendent of Agents

NEW ORLEANS—D. J. Egan, for several years with the Louisiana Rating & Fire Prevention Bureau and lately special agent for the Sinclair agency, has been appointed superintendent of agents of the Emery & Kaufman general agency.

Ragland Names New Committees

Stuart Ragland, newly elected president of the Virginia Association of Insurance Agents, has appointed E. T. DeJarnette, Richmond, chairman of the legislative committee, and Roger Clarke, Fredericksburg, chairman of the finance committee.

Oklahoma Meeting July 15

Through error, the meeting of the Oklahoma Association of Insurers to vote on a proposed revision of the constitution and by-laws was announced for June 15, instead of July 15. The conference will be held at the Black hotel, Oklahoma City.

Anderson Reelected President

TEXARKANA, TEX.—At the annual meeting of the Texarkana Exchange, Leslie Anderson was reelected president, Josh R. Morrissey, vice-president, and M. D. Tilson, Jr., secretary-treasurer.

NEWS BRIEFS

J. H. M. Partington, special service department Royal-Liverpool groups, has just completed a five weeks stay in Texas.

The San Antonio Insurance Exchange discussed problems related to rate changes, decrease in premium income, the rising fire loss, and stock company advertising.

The Beery-Wahr mund Insurance Agency, San Antonio, Tex., has been dissolved. L. C. Beery will operate an agency in his own name. J. A. Wahr mund will be a member of the new firm of Hirsch, Wahr mund & Co., other members being Marvin Hirsch, Carl Schwers and J. E. Koch.

The season closed for the Oklahoma City Insurance Women's Club, with installation of these officers: Miss Amye Butler, Oklahoma Inspection Bureau, president; Mrs. Rosa Amend, Ancel Earp & Co. and Mrs. Bobbie Langlitz, Oklahoma Audit Bureau, vice presidents; Miss Annette Jeffers, Williamson agency, secretary; Miss Mary E. Thursday, Gardner, Clarke & Sullivan, treasurer; Miss Myrtle List, Oklahoma Fire Underwriters Association, reporter.

Clayton Smith has been named manager of the insurance department of the Arkansas Trust Company, Hot Springs, Ark. He has been with the department two years.

Florida Dean



L. P. McCORD

L. P. McCord of Jacksonville, Fla., former president Florida Insurance Agents Association and now its national councillor, is regarded as the founder of the Florida Insurance Agents School which will have its next session at the Hollywood Beach Hotel, Hollywood, starting next Wednesday. He is familiarly known as the dean of the school. Mr. McCord has given much time, thought and energy to the upbuilding of this important enterprise. It is carried on under cooperation with the University of Florida and is the first insurance school of the kind inaugurated.

from the period of debarkation at an American port until the start of the return voyage, at which point the home contract renews.

New York Deviations Allowed

NEW YORK.—Companies authorized to write fire, theft, collision and property lines on automobiles in this state at deviations from manual rates, together with the percentage allowance granted each include the Merchants, Pacific, Standard of New York and Washington, 15 percent off; General Exchange and Northern of New York, 25 percent off; Hamilton, 20 percent off. Notice has been given the carriers that the department will sometime in the fall consider the wisdom of allowing differentials on the collision and property damage hazards, in view of the loss experience on those elements of the general policy.

Michigan Coercion Bill Signed

LANSING, MICH.—Ignoring protests of finance companies, Governor Dickinson has signed the act revamping regulations covering contract purchases of automobiles. It contains a specific provision that an automobile dealer may not dictate to or even "influence" the buyer of a car in placing of insurance on the machine. The dealer and his finance company may, of course, insist that adequate coverage be provided, however.

The annual outing of the Insurance Agents Club of Utica, N. Y., was held at Trenton Falls with more than 100 in attendance. Only the agents and agency girls, together with company representatives, are permitted to attend. Wives or husbands are never invited. Company men presented included Charles Close, Great American; L. L. Wilbank, Commercial Union; A. C. Wallace and Ed Morrison, Agricultural, and F. H. Witmeyer, Excelsior.

Warren H. Smith, vice-president of the Charles F. Joyce Co., Buffalo, has been appointed treasurer of the Erie county Republican committee.

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MOTOR

Coverage Is Provided Here for Foreign Motorists

NEW YORK—Foreign insurance companies have suggested to motorists from their countries visiting the New York fair and the United States that they secure fire, theft, collision and indemnity coverage from American offices. Some of the British companies with departments here have notified their branches in advance of the intended arrival of policyholders, asking them to see that policies are issued covering

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• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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MARINE INSURANCE NEWS**Yacht Cover Going Well This Year**

Yacht insurance is going strong on the Great Lakes this season with substantial increase in premium volume, partially due to the decrease in May of insurance rates on pleasure boats costing under \$5,000. This has served greatly to stimulate business, according to P. J. Leen, western marine manager Fireman's Fund, Chicago.

While the yachting season is fairly well advanced, a great deal of yacht business is being sold. This year, due to skeleton staffs and a business policy of not carrying large stocks, boat builders have been building craft almost to order and thus are slow with deliveries. For this reason many boats will be delivered over the next month or so.

Another factor which has served to stimulate sale of yacht insurance, especially in covering second hand boats, is that the old additional charge of 1 percent a year for the age of speed boats has been eliminated. This originally was put on because in adjusting losses on speed boats it is practically demanded that new parts and material be used and not second hand. Therefore, no matter what the age of the boat, replacement is on a new basis. Labor costs, too, have increased considerably.

Experience So Far Excellent

Experience on yacht insurance on the Great Lakes so far this year has been excellent. The weather has been good and there have been no catastrophes except a loss of several craft early this season. There is considerable congestion in Chicago yacht harbors, which creates an extra hazard in case of a bad blow, but also serves to show the great yacht activity this year.

Most of the craft being covered now are in the medium price range of \$3,000 to \$4,000 and are power cabin cruisers of solid construction. This is the most popular type of craft.

There have been few if any losses so far this year due to gas leakage and explosion, although in the past this cause has wrecked many boats. On new boats the manufacturers have attempted to solve the problem by better ventilation and design. Owners fearful for their lives have corrected the defects in many cases on older boats. Then, too, in the case of second hand boats marine underwriters usually survey the craft before issuing insurance and the surveyor bears particularly in mind any factors that might cause explosion, burning and wrecking of the boat. In case such hazard exists the underwriters refuse to write the contract. Therefore owners to get insurance have had to modernize their boats and do necessary repair work.

Report No Increase in Inland Sales

Apparently little or no increase in inland marine business is being experienced by most companies thus far this year as compared to 1938. With the summer vacation season coming on it is expected that no pickup will occur until fall.

Renewals appear to be holding up fairly well, but new paid business is lagging, although some offices report increases.

At present the personal property floater does not appear to be affecting sale of personal effects coverage much. Transportation cover is off because of business conditions.

Luce to Philadelphia

C. F. Luce, Jr., has been appointed marine special agent for the Aetna Fire

group and transferred from the home office to the Philadelphia headquarters of the Atlantic marine department, associated with W. J. Horner, marine manager of the Philadelphia office. He succeeds Marvin C. Jenkins, recently promoted to state agent of the World Fire & Marine.

Mr. Luce has been with the marine department of the Aetna Fire group since 1929 and has had wide experience both in underwriting at the home office and in production work in the field.

Insurance on the "Thetis"

The English submarine "Thetis," the sinking of which cost 99 lives, was insured in the ordinary way on the London market for about £350,000 under building risk insurance. There was some £875,000 of insurance on armament.

R. W. Krautlein, marine manager Cook county, Ill., office America Fore, is vacationing in the west. He is motoring to the Pacific Coast over the north route and will return by the south, stopping off at Grand Canyon. While in California he will visit the San Francisco fair.

CANADIAN**Quebec Brokers Elect Geoffrion**

MONTREAL—Considerable progress for the past year was reported at the annual general meeting of the Insurance Brokers Association of the province of Quebec here. Charles E. Geoffrion was elected president; D. A. Hanson, Montreal, chairman board of directors; Arthur McBean and Stuart Rolland, Montreal; P. A. Boutin, Quebec, and P. H. Plourde, Victoriaville, vice-presidents; Charles Rolland, Montreal, honorary treasurer; J. C. d'Auteuil, Montreal, secretary-treasurer.

Saskatchewan Law Changes

An amendment to the Saskatchewan insurance act provides that a contract may be renewed by the delivery of a renewal receipt, identifying the policy by number, date or otherwise. All transportation companies can now be licensed to write accident insurance, the privilege formerly having been restricted to rail carriers.

Opposes Special Wage Levy

MONTREAL—The All-Canada Insurance Federation is opposing the attempt of the Quebec fair wage board to assess insurance companies 1/3 of 1 percent of their payrolls for its program of minimum wage enforcement. The federation points out that insurance has been ruled to be outside the field of trade and commerce to which the ordinance applies. It states that salaries paid by the companies exceed the minimum requirements.

Canadian Superintendents to Meet

The annual conference of the Provincial Superintendents of Insurance of Canada will be held in Montreal Aug. 21-24.

L. G. LeBlanc and D. D. Rowley of the inland marine department of the Home of New York, have been appointed inspectors of the Quebec provincial office.

Profits in Mexico

Compania Mexicana de Seguros La Aurora, S. A., a general insurance company that has its home office in Mexico City, is paying a dividend of 70 pesos per share on its 1938 profits. This is the highest dividend a Mexican insurance company has paid.

Nichols Is New Chief of Adjusters Group

(CONTINUED FROM PAGE 1)

ance losses is the sole prerogative of lawyers.

"The great majority accept the truth that the lay adjuster has his proper place in the great business of insurance; that there is nothing more promising to combat the evil claimed than ethical adjusters who have been giving and will continue to give service as is expected, not only by the companies, but by the public in general.

"We independent adjusters, comprising both lay adjusters and attorney adjusters, find ground for concern in the methods by which claims are sometimes disposed of, methods undesirable to us all. What we seek to accomplish first and foremost is a measurable improve-

ment of methods. While the procedure for all adjusters is not our responsibility, we want to use our influence to see that these conditions are corrected and if possible eliminated."

He said on good authority it was learned organization of the adjusters association with its high standards, cooperation with insurance interests, the bar and the conference committee on adjusters, aided materially in a satisfactory solution of the controversy with lawyers over handling claims.

Makes Some Recommendations

He recommended as a program for the future: Increased qualified membership, a standardized system of claim forms, billing and bookkeeping for independents, an extended bulletin service and possibly publication of an adjusters' magazine. He also said a full time secretary centrally located, preferably in Chicago, should be employed as soon as practicable, and that the association also

might consider use of specialists whose services would be available to members for handling unusual losses. Possibly in time an institute could be established where adjusters could be trained among members to be subsequently available to members who desire help or to interest members to open offices where companies have requested service.

Address of welcome was given by Mr. Nichols and response by Mr. Whitney. Congressman L. G. Sasser of Maryland spoke on the relation of insurance to public interest and W. M. Mortimer of New York on inland marine insurance losses the first afternoon. A buffet supper followed.

Hold Breakfast Conferences

The next morning there were breakfast conferences on casualty, fire and allied lines, followed by a general discussion. L. P. Kristeller of Newark, chairman insurance law section, American Bar Association, spoke on cooperation between insurance companies, attorneys and claim adjusters in the afternoon, and A. B. Summers, president General Credit, Inc., Washington, on what finance companies expect of insurance adjusters. A banquet was held that evening. Congressman Jennings Randolph of West Virginia being guest speaker, and H. I. Quinn, attorney, past president D. of C. Bar Association, being toastmaster. Another breakfast conference was held the third morning and a meeting of the executive committee.

ferred to the western department of the National Fire at which time the management of the Transcontinental was taken over, it being a running mate. Mr. Forkel has had an all-round experience. He is production-minded and a strong advocate of developing the so-called side lines and supplemental coverages in order to maintain premium income. On Oct. 1, 1936, he was made agency superintendent of the western department and on April 1, 1938, assistant manager.

Bells Continue to Ring

Mr. Bell has as thorough going and extensive knowledge of insurance in all its phases as any man in the business. It is interesting to know that not only did he spring from an insurance family but Mrs. Bell was the daughter of the late Captain Wallace of Dayton, O., for many years Ohio state agent of the National Fire and one of the picturesque figures in the state in his time. In order that the Bells may keep ringing without any abatement it is an unusual experience to find the four sons of Mr. Bell are all actively and successfully engaged in insurance. Fred G. of Columbus, O., is state agent of the National Fire group. Wallace A. is located at Newark, N. J., being state agent of the Aetna Fire companies. R. J. is a broker in the Chicago agency of Waidner, Power, Zweig & Lasch. Robert N. is an automobile adjuster in the western department of the National.

Mr. Bell has taken a leading part in almost every important development of the business in the central west for many years. Under his administration the National's western department forged ahead and added greatly to the strength of the company. He has always believed in keeping in close touch with agency sentiment and shaping the underwriting policy so far as practicable in accord with the changing demands of the times.

Paramount Fire Receives License in New York

(CONTINUED FROM PAGE 1)

before Commissioner McCormack on charges of operating in Tennessee without a permit. M. N. and Franklin Young are business associates of E. E. Murrey in the Murrey-Young Co., real estate sales brokers. Commissioner McCormack, who attended the meeting of the National Association of Insurance Commissioners in San Francisco, is due back in Nashville July 1.

Mr. Schmitt refused to discuss reports that Home representatives have contacted agents of Knoxville, Chattanooga and other points concerning service as Paramount agents.

A complete list of those who will appear for questioning at the hearing is not available, but it is known that eight or 10 prominent fire insurance men will be asked to tell what they know about alleged Paramount activities.

New Titles Given National Fire Men

(CONTINUED FROM PAGE 3)

Association. He is currently a member of the executive committee or a director of the various company organizations in the west, is a trustee of the Underwriters Laboratories and vice-president of the Western Adjustment.

Mr. Hanawalt has spent his entire business life with the western department of the National, joining it in February, 1903. He advanced through various positions: map clerk, assistant examiner, examiner, improved risks chief examiner and fieldman. On April 1, 1921, he was appointed agency superintendent, and a year later he was made assistant manager. He is properly credited with a thorough knowledge of the insurance business and is recognized as an outstanding and competent underwriter.

A graduate of the University of Chicago, Mr. Forkel entered the service of the Royal's western office in Chicago in 1924, later becoming assistant examiner. In December, 1925, he resigned to join H. G. B. Alexander & Co., then United States managers of the Transcontinental. With that company he was first examiner and later special agent when he traveled in Michigan, Ohio and Indiana. In January, 1929, he was trans-

Wind, Hail Storms Sweep Country

Despite the high frequency of wind and hail storms throughout the country this year, losses total just about the same as at this time last year. While losses are greater in number they are less severe. The ratio is about the same.

The middle west, especially Minnesota and Kansas, and the south and southeast, particularly Georgia and North and South Carolina, have suffered most. It is estimated that in certain areas the loss ratio has gone up 25 percent, particularly in the south and southeast.

The heavy rainfalls this year over many parts of the country have been quite a factor, the excess rain bringing many wind and hail storms. However, temperature changes have been less extreme and this accounts for the relative mildness of most storms despite their frequency.

Thousands of dollars in damage to property resulted from a wind and hail storm in Youngstown, O., Sunday. Although the storm lasted only about 15 minutes, it flooded the downtown business district, uprooted trees and blew down electric and telephone wires. Hicksville, O., and Newville, also suffered storm losses.

The high wind also hit Brazil and Spencer, Ind., last week, causing a small amount of damage.

STORM HITS KANSAS, MISSOURI

KANSAS CITY—Wind, hail and rain did considerable damage to buildings and crops in Atchison, Kan., and vicinity. Wheat and tobacco crops were badly damaged or destroyed; many farm buildings lost windows and suffered other minor damage. The storm, without hail, however, also struck St. Joseph, Mo., and did considerable water and wind damage to business and other types of buildings. Wind and hail also struck near Gower, Mo., with consequent loss.

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